

TAMA COUNTY

**Independent Auditors' Reports
Basic Financial Statements and Supplementary Information
Schedule of Findings and Questioned Costs**

June 30, 2015

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Tama County

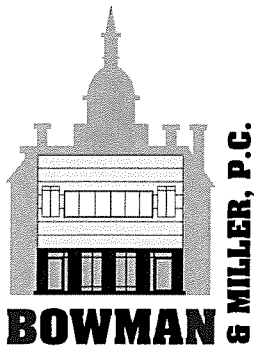
Officials

(Before January 2015)

<u>Name</u>	<u>Title</u>	<u>Expires</u>
Larry Vest	Board of Supervisors	January 2015
Kendall Jordan	Board of Supervisors	January 2017
Dan Anderson	Board of Supervisors	January 2017
Laura Kopsa	County Auditor	January 2017
Michelle Yuska	County Treasurer	January 2015
Deborah Kupka	County Recorder	January 2015
Dennis Kucera	County Sheriff	January 2017
Brent D. Heeren	County Attorney	January 2015
Jerry Witt	County Assessor	January 2015

(After January 2015)

Kendall Jordan	Board of Supervisors	January 2017
Dan Anderson	Board of Supervisors	January 2017
Larry Vest	Board of Supervisors	January 2019
Laura Kopsa	County Auditor	January 2017
Michelle Yuska	County Treasurer	January 2019
Deborah Kupka	County Recorder	January 2019
Dennis Kucera	County Sheriff	January 2017
Brent D. Heeren	County Attorney	January 2019
Jerry Witt	County Assessor	January 2016



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Independent Auditors' Report

To the Officials of Tama County:

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of Tama County, Iowa, as of and for the year ended June 30, 2015, and the related Notes to Financial Statements, which collectively comprise the County's basic financial statements listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with U.S. generally accepted accounting principles. This includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the County's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information and the respective changes in its financial position and, where applicable, its cash flows thereof for the year then ended in accordance with U.S. generally accepted accounting principles.

Emphasis of Matter

As discussed in Note 16 to the financial statements, Tama County adopted new accounting guidance related to Governmental Accounting Standards Board (GASB) Statement No. 68, Accounting and Financial Reporting for Pensions – an Amendment of GASB Statement No. 27. Our opinions are not modified with respect to this matter.

Other Matters

Required Supplementary Information

U.S. generally accepted accounting principles require Management's Discussion and Analysis, the Budgetary Comparison Information, the Schedule of the County's Proportionate Share of the Net Pension Liability, the Schedule of County Contributions and the Schedule of Funding Progress for the Retiree Health Plan on pages 5 through 11 and 52 through 61 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board which considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with U.S. generally accepted auditing standards, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Tama County's basic financial statements. We previously audited, in accordance with the standards referred to in the third paragraph of this report, the financial statements for the nine years ended June 30, 2014 (which are not presented herein) and expressed unmodified opinions on those financial statements. The supplementary information included in Schedules 1 through 6, including the Schedule of Expenditures of Federal Awards required by U.S. Office of Management and Budget (OMB) Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, is presented for purpose of additional analysis and is not a required part of the basic financial statements.

The supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with U.S. generally accepted auditing standards. In our opinion, the supplementary information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated December 30, 2015 on our consideration of Tama County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering Tama County's internal control over financial reporting and compliance.

Bowman and Miller, P.C.

December 30, 2015

MANAGEMENT'S DISCUSSION AND ANALYSIS

Tama County provides this Management's Discussion and Analysis of its financial statements. This narrative overview and analysis of the financial activities is for the fiscal year ended June 30, 2015. We encourage readers to consider this information in conjunction with the County's financial statements, which follow.

2015 FINANCIAL HIGHLIGHTS

- Revenues of the County's governmental activities decreased 4.0%, or approximately \$728,000, from fiscal year 2014 to fiscal year 2015. General revenues increased approximately \$306,000, charges for services increased approximately \$62,000, operating grants, contributions and restricted interest increased approximately \$339,000 and capital grants and contributions decreased approximately \$1,435,000.
- Program expenses of the County's governmental activities were 1.2%, or approximately \$196,000, less in fiscal year 2015 than in fiscal year 2014. Public safety and legal expenses decreased approximately \$385,000, mental health decreased approximately \$400,000, administration decreased approximately \$140,000 and roads and transportation expenses increased approximately \$708,000.
- The County's net position increased 2.4%, or approximately \$828,000, from June 30, 2014 to June 30, 2015.

USING THIS ANNUAL REPORT

The annual report consists of a series of financial statements and other information, as follows:

Management's Discussion and Analysis introduces the basic financial statements and provides an analytical overview of the County's financial activities.

The Government-wide Financial Statements consist of a Statement of Net Position and a Statement of Activities. These provide information about the activities of Tama County as a whole and present an overall view of the County's finances.

The Fund Financial Statements tell how governmental services were financed in the short term as well as what remains for future spending. Fund financial statements report Tama County's operations in more detail than the government-wide financial statements by providing information about the most significant funds. The remaining financial statements provide information about activities for which Tama County acts solely as an agent or custodian for the benefit of those outside of County government (Agency Funds).

Notes to Financial Statements provide additional information essential to a full understanding of the data provided in the basic financial statements.

Required Supplementary Information further explains and supports the financial statements with a comparison of the County's budget for the year, the County's proportionate share of the net pension liability and related contributions, as well as presenting the Schedule of Funding Progress for the Retiree Health Plan.

Supplementary Information provides detailed information about the nonmajor governmental and the individual Agency Funds. In addition, the Schedule of Expenditures of Federal Awards provides details of various federal programs benefiting the County.

REPORTING THE COUNTY'S FINANCIAL ACTIVITIES

Government-wide Financial Statements

One of the most important questions asked about the County's finances is, "Is the County as a whole better off or worse off as a result of the year's activities?" The Statement of Net Position and the Statement of Activities report information which helps answer this question. These statements include all assets, deferred outflows of resources, liabilities and deferred inflows of resources using the accrual basis of accounting and the economic resources measurement focus, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account, regardless of when cash is received or paid.

The Statement of Net Position presents financial information on all of the County's assets, deferred outflows of resources, liabilities and deferred inflows of resources, with the difference reported as net position. Over time, increases or decreases in the County's net position may serve as a useful indicator of whether the financial position of the County is improving or deteriorating.

The Statement of Activities presents information showing how the County's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will not result in cash flows until future fiscal years.

The County's governmental activities are presented in the Statement of Net Position and the Statement of Activities. Governmental activities include public safety and legal services, physical health and social services, mental health, county environment and education, roads and transportation, governmental services to residents, administration, interest on long-term debt and non-program activities. Property tax and state and federal grants finance most of these activities.

Fund Financial Statements

The County has three kinds of funds:

1) Governmental funds account for most of the County's basic services. These focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. The governmental funds include: 1) the General Fund, 2) the Special Revenue Funds, such as Mental Health, Rural Services and Secondary Roads, 3) the Debt Service Fund and 4) the Capital Projects Fund. These funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund financial statements provide a detailed, short-term view of the County's general governmental operations and the basic services it provides. Governmental fund information helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the County's programs.

The required financial statements for governmental funds include a Balance Sheet and a Statement of Revenues, Expenditures and Changes in Fund Balances.

2) A proprietary fund accounts for the County's Internal Service, Employee Group Health Fund. Internal Service Funds are an accounting device used to accumulate and allocate costs internally among the County's various functions.

The required financial statements for proprietary funds include a Statement of Net Position, a Statement of Revenues, Expenses and Changes in Fund Net Position and a Statement of Cash Flows.

3) Fiduciary funds are used to report assets held in a trust or agency capacity for others which cannot be used to support the County's own programs. These fiduciary funds include Agency Funds that account for drainage districts, emergency management services and the County Assessor, to name a few.

The required financial statement for fiduciary funds is a Statement of Fiduciary Assets and Liabilities.

Reconciliations between the government-wide financial statements and the governmental fund financial statements follow the governmental fund financial statements.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of financial position. Tama County's combined net position decreased from approximately \$38.6 million to approximately \$35.7 million. The analysis that follows focuses on the changes in the net position of governmental activities.

Net Position of Governmental Activities (Expressed in Thousands)		
	June 30,	
	2015	2014 (Not Restated)
Current and other assets	\$ 21,461	21,449
Capital assets	35,335	34,253
Total assets	56,796	55,702
Deferred outflows of resources	656	-
Long-term liabilities	10,453	7,875
Other liabilities	941	958
Total liabilities	11,394	8,833
Deferred inflows of resources	10,359	8,278
Net position:		
Net investment in capital assets	27,885	26,803
Restricted	7,696	8,433
Unrestricted	118	3,355
Total net position	\$ 35,699	38,591

Net position of Tama County's governmental activities decreased 7.5% (approximately \$35.7 million compared to approximately \$38.6 million). The largest portion of the County's net position is invested in capital assets (e.g., land, infrastructure, buildings and equipment), less the related debt. The debt related to the investment in capital assets is liquidated with resources other than capital assets. Restricted net position represents resources subject to external restrictions, constitutional provisions or enabling legislation on how they can be used. Unrestricted net position – the part of net position that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation or other legal requirements – decreased from approximately \$3,355,000 at June 30, 2014 to approximately \$118,000 at the end of this year, a decrease of 96.5%.

Governmental Accounting Standards Board Statement No. 68, Accounting and Financial Reporting for Pensions – an Amendment of GASB Statement No. 27 was implemented during fiscal year 2015. The beginning net position as of July 1, 2014 was restated by \$3,718,983 to retroactively report the net pension liability as of June 30, 2013 and deferred outflows of resources related to contributions made after June 30, 2013 but prior to July 1, 2014. Fiscal year 2013 and 2014 financial statement amounts for net pension liabilities, pension expense, deferred outflows of resources and deferred inflows of resources were not restated because the information was not available. In the past, pension expense was the amount of the employer contribution. Current reporting provides a more comprehensive measure of pension expense which is more reflective of the amounts employees earned during the year.

Changes in Net Position of Governmental Activities		
	Year ended June 30,	
	2015	2014 (Not Restated)
Revenues:		
Program revenues:		
Charges for service	\$ 1,701,229	1,639,307
Operating grants, contributions and restricted interest	4,828,209	4,489,570
Capital grants, contributions and restricted interest	1,590,479	3,025,037
General revenues:		
Property tax	7,966,582	7,829,698
Interest and penalty on property tax	61,216	88,106
State tax credits	576,472	434,947
Local option sales tax	606,153	569,345
Unrestricted investment earnings	41,704	55,071
Other general revenues	62,102	31,097
Total revenues	17,434,146	18,162,178
Program expenses:		
Public safety and legal services	2,987,065	3,371,603
Physical health and social services	1,501,896	1,530,555
Mental health	811,448	1,211,169
County environment and education	776,101	733,067
Roads and transportation	8,565,414	7,857,695
Governmental services to residents	536,085	523,448
Administration	1,272,841	1,412,955
Non-program	-	4,987
Interest on long-term debt	155,485	156,526
Total expenses	16,606,335	16,802,005
Change in net position	827,811	1,360,173
Net position beginning of year, as restated	34,871,704	37,230,514
Net position end of year	\$ 35,699,515	38,590,687

Tama County's net position of governmental activities increased approximately \$828,000 during the year. Revenues for governmental activities decreased approximately \$728,000 from fiscal year 2014 to fiscal year 2015. The total cost of all programs and services decreased by 1.2%. Capital grants, contributions and restricted interest decreased by approximately \$1,435,000 due to a decrease in the amount being contributed from the Iowa Department of Transportation Farm to Market Fund and the decrease in receipt of bridge construction grant funds.

The cost of all governmental activities this year was approximately \$16.6 million compared to approximately \$16.8 million last year. However, as shown in the Statement of Activities on page 15, the amount that our taxpayers ultimately financed for these activities was approximately \$8.5 million because some of the cost was paid by those who directly benefited from the programs (approximately \$1.7 million) or by other governments and organizations that subsidized certain programs with contributions and grants (approximately \$6.4 million). Overall, the County's governmental program revenues including intergovernmental aid and fees for services, decreased in 2015 from approximately \$9.1 million to approximately \$8.1 million. The County paid for the remaining "public benefit" portion of governmental activities (approximately \$8.5 million) with taxes (some of which could only be used for certain programs) and with other revenues such as interest and general entitlements. General revenues remained virtually unchanged from the prior year.

INDIVIDUAL MAJOR FUND ANALYSIS

As Tama County completed the year, its governmental funds reported a combined fund balance of approximately \$9.9 million, a decrease of approximately \$618,000 over last year's total of approximately \$10.5 million. The following are the major reasons for the changes in fund balances of the major funds from the prior year:

- General Fund revenues increased due to an increase in property tax revenue and expenditures remained consistent when compared to the prior year. The ending fund balance showed an increase of approximately \$417,000 from the prior year to approximately \$5,238,000.
- The County has continued to look for ways to effectively manage the cost of mental health services. In March 2012, the County joined the County Social Services Agency. This Agency is a 22 county member agency established to help consolidate mental health services and costs. For the year, expenditures totaled approximately \$808,500, a decrease of 31.3% from the prior year. The Special Revenue, Mental Health Fund balance at year end increased approximately \$88,000 over the prior year.
- Special Revenue, Rural Services Fund revenues increased due to an increase in local option sales tax revenue. For the year, expenditures totaled approximately \$1.4 million, an increase of 166% from the prior year. This result was due to an increase in expenditures related to capital projects.
- Special Revenue, Secondary Roads Fund revenues increased approximately \$1.2 million due primarily to the receipt of \$1.2 million in a bridge replacement grant. Expenditures increased approximately \$829,000 due principally to an increase in roadway maintenance and bridge projects. The amount that the County transferred from the Rural Services and General Funds decreased by approximately \$10,000. These changes resulted in an increase in the Secondary Roads Fund ending balance of approximately \$874,000.
- The Debt Service Fund ending balance decreased approximately \$153,000 due primarily to the payment of interest on the County's general obligation bond.
- During the year ended June 30, 2015, the County expended approximately \$1.4 million in capital projects primarily related to road and bridge construction. The funds used to pay for the construction were from a \$7,450,000 bond issue that was deposited into the capital projects fund during fiscal year 2013.

BUDGETARY HIGHLIGHTS

Over the course of the year, Tama County amended its budget two times. The first amendment was made in October 13, 2014 and resulted in an increase in budgeted disbursements to mental health for payments to the mental health region and roads and transportation for various road and bridge projects. The second amendment was made on May 26, 2015. This amendment was made to provide for additional disbursements in certain County departments.

The County's receipts were approximately \$393,000 less than budgeted, a variance of 2.2%.

Total disbursements were approximately \$4.0 million less than the amended budget. This was primarily due to anticipated capital projects not being done by the County at year end.

Even with the budget amendments, the County exceeded the budgeted amount in the debt service function for the year ended June 30, 2015.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At June 30, 2015, Tama County had approximately \$66.4 million invested in a broad range of capital assets, including public safety equipment, buildings, roads and bridges. This amount represents a net increase (including additions and deletions) of approximately \$3,111,000, or 4.9% over last year.

Capital Assets of Governmental Activities at Year End (Expressed in thousands)		
	June 30,	
	2015	2014
Land	\$ 1,765	1,386
Construction in progress	2,511	334
Buildings and improvements	5,966	5,938
Machinery and equipment	9,336	9,332
Infrastructure	46,781	46,258
Totals	<u>\$ 66,359</u>	<u>63,248</u>

This year's major additions included (in thousands):

County sheriff vehicles and equipment	\$ 125
Conservation land	93
Bridge replacement	2,699
Conservation vehicles and equipment	34
Total	<u>\$ 2,951</u>

The County had depreciation expense of \$2,212,698 in fiscal year 2015 and total accumulated depreciation of \$31,023,394 at June 30, 2015.

The County's fiscal year 2015 capital budget included funds primarily for the continued upgrading of secondary roads and bridges and purchase of sheriff vehicles. These projects were funded with resources on hand in the County's fund balances. More detailed information about the County's capital assets is presented in Note 5 to the financial statements.

Long-Term Debt

At June 30, 2015, the County had approximately \$7.5 million in a general obligation bond.

Outstanding Debt of Governmental Activities at Year-End		
	June 30,	
	2015	2014
General obligation bond	\$ 7,450,000	7,450,000
Total	\$ 7,450,000	7,450,000

Debt remained unchanged as the first bond payment is not due until June 1, 2016.

The Constitution of the State of Iowa limits the amount of general obligation debt counties can issue to 5 percent of the assessed value of all taxable property within the County's corporate limits. Tama County's outstanding debt is significantly below its constitutional debt limit of approximately \$85.3 million. Additional information about the County's long-term debt is presented in Note 6 to the financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

Tama County's elected and appointed officials and citizens considered many factors when setting the fiscal year 2016 budget, tax rates and the fees charged for various County activities. Tax levy rates showed a slight increase from fiscal year 2015 to fiscal year 2016, mainly due to the levying for debt service for the first payment on the County's general obligation bond. The proposed budget for fiscal year 2016 includes decreases below the current budget in the revenue category and an increase in the expenditure category primarily related to road and transportation projects in fiscal year 2016.

The County has no major capital improvement plans for fiscal year 2016, but will continue to do routine maintenance on County buildings, roads and bridges.

The County continues to seek ways to contain costs by sharing programs and personnel with other counties and to increase revenues through user fees, grants and contracts rather than solely relying on tax income.

CONTACTING THE COUNTY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers and creditors with a general overview of Tama County's finances and to show the County's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the County Auditor's Office, Tama County Administration Building, 104 West State Street, P.O. Box 61, Toledo, Iowa, 52342.

Tama County
Statement of Net Position
June 30, 2015

Exhibit A

	<u>Governmental Activities</u>
Assets	
Cash, cash equivalents and pooled investments	\$ 11,109,138
Receivables:	
Property tax:	
Delinquent	11,179
Succeeding year	8,894,203
Interest and penalty on property tax	55,135
Accounts	87,590
Due from other governments	1,073,222
Inventories	182,067
Prepaid expenses	48,727
Capital assets, net of accumulated depreciation	35,335,033
Total assets	<u>56,796,294</u>
Deferred Outflows of Resources	
Pension related deferred outflows	<u>655,825</u>
Liabilities	
Accounts payable	632,809
Accrued interest payable	12,636
Salaries and benefits payable	268,110
Due to other governments	27,346
Long-term liabilities:	
Portion due or payable within one year:	
General obligation bonds	95,000
Compensated absences	399,223
Portion due or payable after one year:	
General obligation bonds	7,355,000
Net OPEB liability	13,843
Net pension liability	2,589,999
Total liabilities	<u>11,393,966</u>
Deferred Inflows of Resources	
Unavailable property tax revenue	8,894,203
Pension related deferred inflows	1,464,435
Total deferred inflows of resources	<u>10,358,638</u>

Tama County
Statement of Net Position
June 30, 2015

Exhibit A

	<u>Governmental Activities</u>
Net Position	
Net investment in capital assets	27,885,033
Restricted for:	
Supplemental levy purposes	1,622,462
Mental health purposes	270,854
Rural services purposes	1,812,564
Secondary roads purposes	2,056,728
Capital projects	13,803
Other purposes	1,920,216
Unrestricted	117,855
Total net position	<u><u>\$ 35,699,515</u></u>

Tama County
Statement of Activities
Year Ended June 30, 2015

		Program Revenues		
		Charges for	Operating Grants, Contributions and Restricted Interest	Capital Grants, Contributions and Restricted Interest
	Expenses	Service		
Functions/Programs:				
Governmental activities:				
Public safety and legal services	\$ 2,987,065	359,383	46,665	-
Physical health and social services	1,501,896	644,335	232,868	-
Mental health	811,448	171,804	151,915	-
County environment and education	776,101	41,159	77,256	7,425
Roads and transportation	8,565,414	80,089	4,319,488	1,583,054
Governmental services to residents	536,085	305,617	17	-
Administration	1,272,841	64,500	-	-
Non-program	-	34,342	-	-
Interest on long-term debt	155,485	-	-	-
Total	<u>\$ 16,606,335</u>	<u>1,701,229</u>	<u>4,828,209</u>	<u>1,590,479</u>

General Revenues:

Property and other county tax levied for:

General purposes

Interest and penalty on property tax

State tax credits

Local option sales tax

Unrestricted investment earnings

Gain on sale of assets

Miscellaneous

Total general revenues

Change in net position

Net position beginning of year, as restated

Net position end of year

Net (Expense)
Revenue and Changes
in Net Position

(2,581,017)
(624,693)
(487,729)
(650,261)
(2,582,783)
(230,451)
(1,208,341)
34,342
(155,485)

(8,486,418)

7,966,582
61,216
576,472
606,153
41,704
7,087
55,015

9,314,229

827,811

34,871,704

\$ 35,699,515

Tama County
Balance Sheet
Governmental Funds
June 30, 2015

	General	Special Revenue	
		Mental Health	Rural Services
Assets			
Cash, cash equivalents and pooled investments	\$ 5,184,394	129,366	1,754,034
Receivables:			
Property tax:			
Delinquent	9,487	940	752
Succeeding year	6,159,610	568,799	1,994,565
Interest and penalty on property tax	55,135	-	-
Accounts	74,825	7,725	-
Due from other governments	158,108	169,660	116,849
Inventories	-	-	-
Prepaid expenses	48,727	-	-
Total assets	\$ 11,690,286	876,490	3,866,200
Liabilities, Deferred Inflows of Resources and Fund Balances			
Liabilities:			
Accounts payable	\$ 56,286	6,575	-
Salaries and benefits payable	158,816	10,652	10,367
Due to other governments	13,317	8,399	4,222
Total liabilities	228,419	25,626	14,589
Deferred inflows of resources:			
Unavailable revenues:			
Succeeding year property tax	6,159,610	568,799	1,994,565
Other	64,262	929	743
Total deferred inflows of resources	6,223,872	569,728	1,995,308
Fund balances:			
Nonspendable:			
Inventories	-	-	-
Prepaid expenses	48,727	-	-
Restricted for:			
Supplemental levy purposes	1,622,462	-	-
Mental health purposes	-	281,136	-
Rural services purposes	-	-	1,856,303
Secondary road purposes	-	-	-
Conservation land acquisition	147,826	-	-
Capital projects	-	-	-
Other purposes	-	-	-
Assigned for:			
Other purposes	536,812	-	-
Unassigned	2,882,168	-	-
Total fund balances	5,237,995	281,136	1,856,303
Total liabilities, deferred inflows of resources and fund balances	\$ 11,690,286	876,490	3,866,200

Secondary Roads	Capital Projects	Debt Service	Nonmajor	Total
1,986,599	13,803	250	89,624	9,158,070
-	-	-	-	11,179
-	-	171,229	-	8,894,203
-	-	-	-	55,135
5,040	-	-	-	87,590
628,455	-	-	150	1,073,222
182,067	-	-	-	182,067
-	-	-	-	48,727
2,802,161	13,803	171,479	89,774	19,510,193
300,246	-	1,250	48	364,405
88,275	-	-	-	268,110
1,408	-	-	-	27,346
389,929	-	1,250	48	659,861
-	-	-	-	-
-	-	171,229	-	8,894,203
-	-	-	-	65,934
-	-	171,229	-	8,960,137
182,067	-	-	-	182,067
-	-	-	-	48,727
-	-	-	-	1,622,462
-	-	-	-	281,136
-	-	-	-	1,856,303
2,230,165	-	-	-	2,230,165
-	-	-	-	147,826
-	13,803	-	-	13,803
-	-	-	89,726	89,726
-	-	-	-	536,812
-	-	(1,000)	-	2,881,168
2,412,232	13,803	(1,000)	89,726	9,890,195
2,802,161	13,803	171,479	89,774	19,510,193

Tama County
Reconciliation of the Balance Sheet -
Governmental Funds to the Statement of Net Position
June 30, 2015

Exhibit D

Total governmental fund balances (page 17) \$ 9,890,195

*Amounts reported for governmental activities in the Statement of
Net Position are different because:*

Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the governmental funds. The cost of assets is \$66,358,427 and the accumulated depreciation is \$31,023,394. 35,335,033

Other long-term assets are not available to pay current period expenditures and, therefore, are recognized as deferred inflows of resources in the governmental funds. 65,934

The Internal Service Fund is used by management to charge the costs of the partial self funding of the County's health insurance benefit plan to individual funds. The assets and liabilities of the Internal Service Fund are included in governmental activities in the Statement of Net Position. 1,682,664

Pension related deferred outflows of resources and deferred inflows of resources are not due and payable in the current year and, therefore, are not reported in the governmental fund, as follows:

Deferred outflows of resources	\$ 655,825	
Deferred inflows of resources	<u>(1,464,435)</u>	(808,610)

Long-term liabilities, including bonds payable, compensated absences payable, other postemployment benefits payable, net pension liability and accrued interest payable, are not due and payable in the current year and, therefore, are not reported in the governmental funds. (10,465,701)

Net position of governmental activities (page 13) \$ 35,699,515

Tama County
Statement of Revenues, Expenditures and
Changes in Fund Balances
Governmental Funds
Year Ended June 30, 2015

		Special Revenue	
	General	Mental Health	Rural Services
Revenues:			
Property and other county tax	\$ 5,379,592	532,763	2,055,521
Local option sales tax	-	-	606,153
Interest and penalty on property tax	57,174	-	-
Intergovernmental	1,389,033	340,019	127,036
Licenses and permits	13,316	-	-
Charges for service	656,776	22,706	-
Use of money and property	99,518	-	-
Miscellaneous	106,498	1,493	-
Total revenues	7,701,907	896,981	2,788,710
Expenditures:			
Operating:			
Public safety and legal services	3,126,317	-	24,316
Physical health and social services	1,518,657	-	5,000
Mental health	-	808,538	-
County environment and education	543,433	-	158,179
Roads and transportation	-	-	339,913
Governmental services to residents	479,365	-	3,873
Administration	1,303,727	-	-
Non-program	67	-	-
Debt service	-	-	-
Capital projects	156,248	-	910,000
Total expenditures	7,127,814	808,538	1,441,281
Excess (deficiency) of revenues over (under) expenditures	574,093	88,443	1,347,429
Other financing sources (uses):			
Sale of capital assets	1,800	-	-
Transfers in	-	-	-
Transfers out	(158,459)	-	(1,817,587)
Total other financing sources (uses)	(156,659)	-	(1,817,587)
Change in fund balances	417,434	88,443	(470,158)
Fund balances beginning of year	4,820,561	192,693	2,326,461
Fund balances end of year	\$ 5,237,995	281,136	1,856,303

Secondary Roads	Capital Projects	Debt Service	Nonmajor	Total
-	-	-	-	7,967,876
-	-	-	-	606,153
-	-	-	-	57,174
5,902,542	-	-	16,379	7,775,009
5,284	-	-	-	18,600
-	-	-	3,080	682,562
-	-	-	281	99,799
74,805	-	-	-	182,796
5,982,631	-	-	19,740	17,389,969
-	-	-	48	3,150,681
-	-	-	-	1,523,657
-	-	-	-	808,538
-	-	-	-	701,612
6,109,530	-	-	-	6,449,443
-	-	-	7,315	490,553
-	-	-	-	1,303,727
-	-	-	-	67
-	-	155,485	-	155,485
968,908	1,396,052	-	-	3,431,208
7,078,438	1,396,052	155,485	7,363	18,014,971
(1,095,807)	(1,396,052)	(155,485)	12,377	(625,002)
5,287	-	-	-	7,087
1,964,546	-	2,500	9,000	1,976,046
-	-	-	-	(1,976,046)
1,969,833	-	2,500	9,000	7,087
874,026	(1,396,052)	(152,985)	21,377	(617,915)
1,538,206	1,409,855	151,985	68,349	10,508,110
2,412,232	13,803	(1,000)	89,726	9,890,195

Tama County
Reconciliation of the Statement of Revenues, Expenditures and
Changes in Fund Balances - Governmental Funds
to the Statement of Activities
Year Ended June 30, 2015

Exhibit F

Net change in fund balances - Total governmental funds (page 20) **\$ (617,915)**

Amounts reported for governmental activities in the Statement of Activities are different because:

Governmental funds report capital outlays as expenditures while governmental activities report depreciation expense to allocate those expenditures over the life of the assets. Capital outlay expenditures exceeded depreciation expense in the current year, as follows:

Expenditures for capital assets	\$ 3,295,109	
Depreciation expense	<u>(2,212,698)</u>	1,082,411

Because some revenues will not be collected for several months after the County's year end, they are not considered available revenues and are recognized as deferred inflows in the governmental funds, as follows:

Property tax	2,748
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The current year County employer share of IPERS contributions are reported as expenditures in the governmental funds, but are reported as a deferred outflow of resources in the Statement of Net Position.

506,944

Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds, as follows:

Compensated absences	16,018	
Other postemployment benefits	(4,226)	
Pension expense	<u>(186,570)</u>	(174,778)

The Internal Service Fund is used by management to charge the costs of the partial self-funding of the County's health insurance benefit plan to individual funds. The change in net position of the Internal Service Fund is reported with governmental activities.

28,401

Change in net position of governmental activities (page 15)

\$ 827,811

Tama County
Statement of Net Position
Proprietary Fund
June 30, 2015

Exhibit G

	<u>Internal Service- Employee Group Health</u>
Current Assets	
Cash and cash equivalents	\$ 1,951,068
Current Liabilities	
Accounts payable	<u>268,404</u>
Net Position	
Unrestricted	<u><u>\$ 1,682,664</u></u>

Tama County
Statement of Revenues, Expenses
and Changes in Fund Net Position
Proprietary Fund
Year Ended June 30, 2015

Exhibit H

		<u>Internal Service- Employee Group Health</u>
Operating revenues:		
Reimbursements from operating funds		\$ 1,916,012
Reimbursements from employees and others		5,434
Insurance reimbursements		<u>1,342</u>
Total operating revenues		1,922,788
Operating expenses:		
Medical claims	\$ 1,654,478	
Insurance premiums	200,658	
Administrative fees	<u>49,035</u>	<u>1,904,171</u>
Operating income		18,617
Non-operating revenues:		
Interest income		<u>9,784</u>
Net income		28,401
Net position beginning of year		<u>1,654,263</u>
Net position end of year		<u><u>\$ 1,682,664</u></u>

Tama County
Statement of Cash Flows
Proprietary Fund
Year Ended June 30, 2015

Exhibit I

Internal
Service-
Employee
Group Health

Cash flows from operating activities:

Cash received from operating fund reimbursements	\$ 1,916,012
Cash received from employees and others	5,434
Cash received from insurance reimbursements	1,342
Cash paid to suppliers for services	<u>(1,891,991)</u>
Net cash provided by operating activities	30,797

Cash flows from investing activities:

Interest on investments	<u>9,784</u>
-------------------------	--------------

Net increase in cash and cash equivalents	40,581
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Cash and cash equivalents beginning of year	<u>1,910,487</u>
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Cash and cash equivalents end of year	<u><u>\$ 1,951,068</u></u>
---------------------------------------	----------------------------

**Reconciliation of operating income to net cash
provided by operating activities:**

Operating income	\$ 18,617
Adjustments to reconcile operating income to net cash provided by operating activities:	
Increase in accounts payable	<u>12,180</u>
Net cash provided by operating activities	<u><u>\$ 30,797</u></u>

Tama County
Statement of Fiduciary Assets and Liabilities
Agency Funds
June 30, 2015

Exhibit J

Assets

Cash, cash equivalents and pooled investments:

County Treasurer	\$ 1,973,242
Other County officials	11,456

Receivables:

Property tax:

Delinquent	44,544
Succeeding year	17,998,238

Accounts	71,455
----------	--------

Due from other governments	86,093
----------------------------	--------

Total assets	<u>20,185,028</u>
---------------------	-------------------

Liabilities

Accounts payable	75,837
------------------	--------

Salaries and benefits payable	43,000
-------------------------------	--------

Due to other governments	19,762,816
--------------------------	------------

Trusts payable	246,768
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Compensated absences	56,607
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Total liabilities	<u>20,185,028</u>
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Net position	<u><u>\$ -</u></u>
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Tama County

Notes to Financial Statements

June 30, 2015

(1) Summary of Significant Accounting Policies

Tama County is a political subdivision of the State of Iowa and operates under the Home Rule provisions of the Constitution of Iowa. The County operates under the Board of Supervisors form of government. Elections are on a partisan basis. Other elected officials operate independently with the Board of Supervisors. These officials are the Auditor, Treasurer, Recorder, Sheriff, and Attorney. The County provides numerous services to citizens, including law enforcement, health and social services, parks and cultural activities, planning and zoning, roadway construction and maintenance and general administrative services.

The County's financial statements are prepared in conformity with U.S. generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board.

A. Reporting Entity

For financial reporting purposes, Tama County has included all funds, organizations, agencies, boards, commissions and authorities. The County has also considered all potential component units for which it is financially accountable and other organizations for which the nature and significance of their relationship with the County are such that exclusion would cause the County's financial statements to be misleading or incomplete. The Governmental Accounting Standards Board has set forth criteria to be considered in determining financial accountability. These criteria include appointing a voting majority of an organization's governing body and (1) the ability of the County to impose its will on that organization or (2) the potential for the organization to provide specific benefits to or impose specific financial burdens on the County.

These financial statements present Tama County (the primary government) and its component units. The component units discussed below are included in the County's reporting entity because of the significance of their operational or financial relationships with the County.

Blended Component Units – The following component units are entities which are legally separate from the County, but are so intertwined with the County they are, in substance, the same as the County. They are reported as part of the County and blended into the appropriate funds.

Drainage District #3 has been established pursuant to Chapter 468 of the Code of Iowa for the drainage of surface waters from agricultural and other lands or the protection of such lands from overflow. Although this district is legally separate from the County, it is controlled, managed and supervised by the Tama County Board of Supervisors. This drainage district is reported as a Special Revenue Fund. The County has other drainage districts that are managed and supervised by elected trustees. The financial transactions of these districts are reported in an agency fund. Financial information of the individual drainage districts can be obtained from the Tama County Auditor's office.

Tama County
Notes to Financial Statements (Continued)
June 30, 2015

(1) Summary of Significant Accounting Policies (continued)

A. Reporting Entity (continued)

Jointly Governed Organizations – The County participates in several jointly governed organizations that provide goods or services to the citizenry of the County but do not meet the criteria of a joint venture since there is no ongoing financial interest or responsibility by the participating governments. The County Board of Supervisors are members of or appoint representatives to the following boards and commissions: Tama County Assessor's Conference Board, Tama County Joint E-911 Service Board, Tama County Economic Development Commission, and Tama County Emergency Management Commission. Financial transactions of these organizations are included in the County's financial statements only to the extent of the County's fiduciary relationship with the organization and, as such, are reported in the Agency Funds of the County.

The County also participates in the following additional jointly governed organizations established pursuant to Chapter 28E of the Code of Iowa: County Social Services Mental Health Region, Heartland Risk Pool Insurance, Tama County Solid Waste Disposal Commission, County Case Management Services, Mid-Iowa Drug Task Force, Northeast Iowa Response Group, Central Iowa Juvenile Detention Center and Region VI Planning Commission.

B. Basis of Presentation

Government-wide Financial Statements – The Statement of Net Position and the Statement of Activities report information on all of the nonfiduciary activities of the County and its component units. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities are supported by property tax, intergovernmental revenues and other nonexchange transactions.

The Statement of Net Position presents the County's nonfiduciary assets, deferred outflows of resources, liabilities and deferred inflows of resources, with the difference reported as net position. Net position is reported in the following categories.

Net investment in capital assets consists of capital assets, net of accumulated depreciation and reduced by outstanding balances for bonds, notes and other debt attributable to the acquisition, construction or improvement of those assets.

Restricted net position results when constraints placed on net position use are either externally imposed or imposed by law through constitutional provisions or enabling legislation. Enabling legislation did not result in any restricted net position.

Unrestricted net position consists of net position not meeting the definition of the preceding categories. Unrestricted net position is often subject to constraints imposed by management which can be removed or modified.

Tama County
Notes to Financial Statements (Continued)
June 30, 2015

(1) Summary of Significant Accounting Policies (continued)

B. Basis of Presentation (continued)

The Statement of Activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those clearly identifiable with a specific function. Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function and 2) grants, contributions and interest restricted to meeting the operational or capital requirements of a particular function. Property tax and other items not properly included among program revenues are reported instead as general revenues.

Fund Financial Statements – Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements. All remaining governmental funds are aggregated and reported as other nonmajor governmental funds.

The County reports the following major governmental funds:

The General Fund is the general operating fund of the County. All general tax revenues and other revenues not allocated by law or contractual agreement to some other fund are accounted for in this fund. From the fund are paid the general operating expenditures, the fixed charges and the capital improvement costs not paid from other funds.

Special Revenue:

The Mental Health Fund is used to account for property tax and other revenues to be used to fund mental health, intellectual disabilities and developmental disabilities services.

The Rural Services Fund is used to account for property tax and other revenues to provide services which are primarily intended to benefit those persons residing in the county outside of incorporated city areas.

The Secondary Roads Fund is used to account for the road use tax allocation from the State of Iowa, required transfers from the General Fund and the Special Revenue, Rural Services Fund and other revenues to be used for secondary road construction and maintenance.

The Debt Service Fund is utilized to account for property tax and other revenues to be used for the payment of interest and principal on the County's general long-term debt.

The Capital Projects Fund is used to account for all resources used in the acquisition and construction of capital facilities and other capital assets.

Tama County
Notes to Financial Statements (Continued)
June 30, 2015

(1) Summary of Significant Accounting Policies (continued)

B. Basis of Presentation (continued)

Additionally, the County reports the following funds:

Proprietary Fund – An Internal Service Fund is utilized to account for the financing of goods or services purchased by one department of the County and provided to other departments or agencies on a cost reimbursement basis.

Fiduciary Funds – Agency Funds are used to account for assets held by the County as an agent for individuals, private organizations, certain jointly governed organizations, other governmental units and/or other funds.

C. Measurement Focus and Basis of Accounting

The government-wide, proprietary fund and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property tax is recognized as revenue in the year for which it is levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been satisfied.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current year or soon enough thereafter to pay liabilities of the current year. For this purpose, the County considers revenues to be available if they are collected within 60 days after year end.

Property tax, intergovernmental revenues (shared revenues, grants and reimbursements from other governments) and interest are considered to be susceptible to accrual. All other revenue items are considered to be measurable and available only when cash is received by the County.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, principal and interest on long-term debt, claims and judgments and compensated absences are recorded as expenditures only when payment is due. Capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

Under the terms of grant agreements, the County funds certain programs by a combination of specific cost-reimbursement grants, categorical block grants and general revenues. Thus, when program expenses are incurred, there are both restricted and unrestricted net position available to finance the program. It is the County's policy to first apply cost-reimbursement grant resources to such programs, followed by categorical block grants and then by general revenues.

Tama County
Notes to Financial Statements (Continued)
June 30, 2015

(1) Summary of Significant Accounting Policies (continued)

C. Measurement Focus and Basis of Accounting (continued)

When an expenditure is incurred in governmental funds which can be paid using either restricted or unrestricted resources, the County's policy is to pay the expenditure from restricted fund balance and then from less-restrictive classifications – committed, assigned and then unassigned fund balances.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the County's Internal Service Fund is charges to customers for sales and services. Operating expenses for Internal Service Funds include the cost of services and administrative expenses. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

The County maintains its financial records on the cash basis. The financial statements of the County are prepared by making memorandum adjusting entries to the cash basis financial records.

D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Fund Equity

The following accounting policies are followed in preparing the financial statements:

Cash, Cash Equivalents and Pooled Investments – The cash balances of most County funds are pooled and invested. Interest earned on investments is recorded in the General Fund unless otherwise provided by law. Investments are stated at fair value except for the investment in the Iowa Public Agency Investment Trust which is valued at amortized cost.

For purposes of the Statement of Cash Flows, all short-term cash investments that are highly liquid are considered to be cash equivalents. Cash equivalents are readily convertible to known amounts of cash and, at the day of purchase, have a maturity date no longer than three months.

Property Tax Receivable – Property tax in governmental funds is accounted for using the modified accrual basis of accounting.

Property tax receivable is recognized in these funds on the levy or lien date, which is the date the tax asking is certified by the County Board of Supervisors. Delinquent property tax receivable represents unpaid taxes for the current and prior years. The succeeding year property tax receivable represents taxes certified by the Board of Supervisors to be collected in the next fiscal year for the purposes set out in the budget for the next fiscal year.

Tama County
Notes to Financial Statements (Continued)
June 30, 2015

(1) Summary of Significant Accounting Policies (continued)

D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Fund Equity (continued)

By statute, the Board of Supervisors is required to certify its budget in March of each year for the subsequent fiscal year. However, by statute, the tax asking and budget certification for the following fiscal year becomes effective on the first day of that year. Although the succeeding year property tax receivable has been recorded, the related revenue is deferred in both the government-wide and fund financial statements and will not be recognized as revenue until the year for which it is levied.

Property tax revenue recognized in these funds become due and collectible in September and March of the fiscal year with a 1½% per month penalty for delinquent payments; is based on January 1, 2013 assessed property valuations; is for the tax accrual period July 1, 2014 through June 30, 2015 and reflects the tax asking contained in the budget certified by the County Board of Supervisors in March 2014.

Interest and Penalty on Property Tax Receivable – Interest and penalty on property tax receivable represents the amount of interest and penalty that was due and payable but has not been collected.

Due from Other Governments – Due from other governments represents amounts due from the State of Iowa, various shared revenues, grants and reimbursements from other governments.

Inventories – Inventories are valued at cost using the first-in, first-out method. Inventories consist of expendable supplies held for consumption. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased.

Capital Assets – Capital assets, which include property, equipment and vehicles, and infrastructure assets acquired after July 1, 1980 (e.g., roads, bridges, curbs, gutters, sidewalks, and similar items which are immovable and of value only to the County), are reported in the governmental activities column in the government-wide Statement of Net Position. Capital assets are recorded at historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. The costs of normal maintenance and repair that do not add to the value of the asset or materially extend asset lives are not capitalized. Reportable capital assets are defined by the County as assets with initial, individual costs in excess of the following thresholds and estimated useful lives in excess of two years.

Asset Class	Amount
Infrastructure	\$ 50,000
Land, buildings and improvements	25,000
Equipment and vehicles	5,000

Tama County
Notes to Financial Statements (Continued)
June 30, 2015

(1) Summary of Significant Accounting Policies (continued)

D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Fund Equity (continued)

Capital assets of the County are depreciated using the straight line method over the following estimated useful lives:

Asset Class	Estimated Useful Lives (In Years)
Buildings	20 – 50
Building improvements	20 – 50
Infrastructure	30 – 50
Equipment	5 – 20
Vehicles	7 – 10

Deferred Outflows of Resources – Deferred outflows of resources represent a consumption of net position that applies to future period(s) and will not be recognized as an outflow of resources (expense/expenditure) until then. Deferred outflows of resources consist of unrecognized items not yet charged to pension expense and contributions from the employer after the measurement date but before the end of the employer's reporting period.

Due to Other Governments – Due to other governments represents taxes and other revenues collected by the County and payments for services which will be remitted to other governments.

Trusts Payable – Trusts payable represents amounts due to others which are held by various County officials in fiduciary capacities until the underlying legal matters are resolved.

Compensated Absences – County employees accumulate a limited amount of earned but unused vacation hours for subsequent use or for payment upon termination, death or retirement. A liability is recorded when incurred in the government-wide, proprietary fund and fiduciary fund financial statements. A liability for these amounts is reported in governmental fund financial statements only for employees who have resigned or retired. The compensated absences liability has been computed based on rates of pay in effect at June 30, 2015. The compensated absences liability attributable to the governmental activities will be paid primarily by the General Fund and the Special Revenue, Mental Health, Rural Services and Secondary Roads Funds.

Long-Term Liabilities – In the government-wide and proprietary fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities or proprietary fund Statement of Net Position.

In the governmental fund financial statements, the face amount of debt issued is reported as other financing sources. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Tama County
Notes to Financial Statements (Continued)
June 30, 2015

(1) Summary of Significant Accounting Policies (continued)

D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Fund Equity (continued)

Pensions – For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Iowa Public Employees' Retirement System (IPERS) and additions to/deductions from IPERS' fiduciary net position have been determined on the same basis as they are reported by IPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Deferred Inflows of Resources – Deferred inflows of resources represents an acquisition of net position that applies to a future period(s) and will not be recognized as an inflow of resources (revenue) until that time. Available means collected within the current year or expected to be collected soon enough thereafter to be used to pay liabilities of the current year. Deferred inflows of resources in the governmental fund financial statements represent the amount of assets that have been recognized, but the related revenue has not been recognized since the assets are not collected within the current year or expected to be collected soon enough thereafter to be used to pay liabilities of the current year. Deferred inflows of resources consist of property tax receivable and other receivables not collected within sixty days after year end.

Deferred inflows of resources in the Statement of Net Position consist of succeeding year property tax receivables that will not be recognized until the year for which it is levied and the unamortized portion of the net difference between projected and actual earnings on pension plan investments.

Fund Equity – In the governmental fund financial statements, fund balances are classified as follows:

Nonspendable – Amounts which cannot be spent because they are in a nonspendable form or because they are legally or contractually required to be maintained intact.

Restricted – Amounts restricted to specific purposes when constraints placed on the use of the resources are either externally imposed by creditors, grantors or state or federal laws or are imposed by law through constitutional provisions or enabling legislation.

Committed – Amounts which can be used only for specific purposes pursuant to constraints formally imposed by the Board of Supervisors through ordinance or resolution approved prior to year end. Committed amounts cannot be used for any other purpose unless the Board of Supervisors removes or changes the specified use by taking the same action it employed to commit those amounts.

Assigned – Amounts the Board of Supervisors intend to use for specific purposes.

Unassigned – All amounts not included in the preceding classifications.

Tama County
Notes to Financial Statements (Continued)
June 30, 2015

(1) Summary of Significant Accounting Policies (continued)

D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Fund Equity (continued)

Net Position – The net position of the Internal Service, Employee Group Health Fund is designated for anticipated future catastrophic losses of the County.

E. Budgets and Budgetary Reporting

The budgetary comparison and related disclosures are reported as Required Supplementary Information. During the year ended June 30, 2015, disbursements exceeded the amount budgeted in the debt service function.

(2) Cash, Cash Equivalents and Pooled Investments

The County's deposits in banks at June 30, 2015 were entirely covered by federal depository insurance or by the State Sinking Fund in accordance with Chapter 12C of the Code of Iowa. This chapter provides for additional assessments against the depositories to insure there will be no loss of public funds.

The County is authorized by statute to invest public funds in obligations of the United States government, its agencies and instrumentalities; certificates of deposit or other evidences of deposit at federally insured depository institutions approved by the Board of Supervisors; prime eligible bankers acceptances; certain high rated commercial paper; perfected repurchase agreements; certain registered open-end management investment companies; certain joint investment trusts; and warrants or improvement certificates of a drainage district.

In addition, the County had investments in the Iowa Public Agency Investment Trust which are valued at an amortized cost of \$456,363 pursuant to Rule 2a-7 under the Investment Company Act of 1940.

Interest rate risk – The County's investment policy limits the investment of operating funds (funds expected to be expended in the current budget year or within 15 months of receipt) to instruments that mature within 397 days. Funds not identified as operating funds may be invested in investments with maturities longer than 397 days, but the maturities shall be consistent with the needs and use of the County.

Credit risk – The investment in the Iowa Public Agency Investment Trust is unrated.

Tama County
Notes to Financial Statements (Continued)
June 30, 2015

(3) Interfund Transfers

The detail of interfund transfers for the year ended June 30, 2015 is as follows:

Transfer to	Transfer from	Amount
Special Revenue:		
County Recorder's Records Management	General	\$ 9,000
Debt Service	General	2,500
Special Revenue:		
Secondary Roads	General	146,959
	Special Revenue:	
	Rural Services	1,817,587
		<u>1,964,546</u>
		<u>\$ 1,976,046</u>

Transfers generally move resources from the fund statutorily required to collect the resources to the fund statutorily required to expend the resources.

(4) Operating Leases

The County has entered into various operating leases for office copy machines and postage meters. These leases expire at various times through January 2018. The following is a schedule by year of the total annual lease costs required under the operating leases.

Year Ending June 30,	Rent Due
2016	\$ 24,450
2017	11,560
2018	2,369
Total	<u>\$ 38,379</u>

The total annual lease costs for the year ended June 30, 2015 were \$26,938.

Tama County
Notes to Financial Statements (Continued)
June 30, 2015

(5) Capital Assets

Capital assets activity for the year ended June 30, 2015 was as follows:

	Balance Beginning of Year	Increases	Decreases	Balance End of Year
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 1,386,037	378,992	-	1,765,029
Construction in progress	334,287	2,510,690	334,287	2,510,690
Total capital assets not being depreciated	<u>1,720,324</u>	<u>2,889,682</u>	<u>334,287</u>	<u>4,275,719</u>
Capital assets being depreciated:				
Buildings	5,938,398	27,980	-	5,966,378
Equipment and vehicles	9,332,124	191,367	187,876	9,335,615
Infrastructure, road network	46,257,748	522,967	-	46,780,715
Total capital assets being depreciated	<u>61,528,270</u>	<u>742,314</u>	<u>187,876</u>	<u>62,082,708</u>
Less accumulated depreciation for:				
Buildings	2,673,526	117,625	-	2,791,151
Equipment and vehicles	6,855,060	447,578	185,276	7,117,362
Infrastructure, road network	19,467,386	1,647,495	-	21,114,881
Total accumulated depreciation	<u>28,995,972</u>	<u>2,212,698</u>	<u>185,276</u>	<u>31,023,394</u>
Total capital assets being depreciated, net	<u>32,532,298</u>	<u>(1,470,384)</u>	<u>2,600</u>	<u>31,059,314</u>
Governmental activities capital assets, net	<u>\$ 34,252,622</u>	<u>1,419,298</u>	<u>336,887</u>	<u>35,335,033</u>

Depreciation expense was charged to the following functions:

Governmental activities:	
Public safety and legal services	\$ 91,768
Physical health and social services	21,796
Mental health	10,489
County environment and education	46,796
Roads and transportation	1,979,325
Administration	62,524
Total depreciation expense - governmental activities	<u>\$ 2,212,698</u>

Tama County
Notes to Financial Statements (Continued)
June 30, 2015

(6) Long-Term Liabilities

A summary of changes in long-term liabilities for the year ended June 30, 2015 is as follows:

	General Obligation Bond	Compensated Absences	Net Pension Liability	Net OPEB Liability	Total
Balance beginning of year	\$ 7,450,000	415,241	4,217,547	9,617	12,092,405
Increases	-	12,243	-	4,226	16,469
Decreases	-	28,261	1,627,548	-	1,655,809
Balance end of year	\$ 7,450,000	399,223	2,589,999	13,843	10,453,065
Due within one year	\$ 95,000	399,223	-	-	494,223

Bond Payable

A summary of the County's June 30, 2015 general obligation bond indebtedness is as follows:

Year Ending June 30,	Interest Rates	Principal	Interest	Total
2016	1.50 %	\$ 95,000	153,735	248,735
2017	1.50	195,000	152,310	347,310
2018	1.50	420,000	149,385	569,385
2019	1.50	425,000	143,085	568,085
2020	1.50	435,000	136,710	571,710
2021-2025	1.50-2.00	2,270,000	570,425	2,840,425
2026-2030	2.00-2.40	2,515,000	326,675	2,841,675
2031-2032	2.50-2.70	1,095,000	44,010	1,139,010
		<u>\$ 7,450,000</u>	<u>1,676,335</u>	<u>9,126,335</u>

Tama County
Notes to Financial Statements (Continued)
June 30, 2015

(7) Due to Other Governments

The County purchases services from other governmental units and also acts as a fee and tax collection agent for various governmental units. Tax collections are remitted to those governments in the month following collection. A summary of amounts due to other governments at June 30, 2015 is as follows:

Fund	Description	Amount
General	Services	\$ 13,317
Special Revenue:		
Secondary Roads	Services	1,408
Rural Services	Services	4,222
Mental Health	Services	8,399
		<u>14,029</u>
Total for governmental funds		<u>\$ 27,346</u>
Agency:		
County Assessor	Collections	\$ 616,339
Schools		11,932,045
Community Colleges		1,328,648
Corporations		4,110,961
Townships		330,459
Auto License and Use Tax		380,063
E-911		210,226
Emergency Management Services		318,405
All other		535,670
Total for agency funds		<u>\$ 19,762,816</u>

(8) Pension Plan

Plan Description – IPERS membership is mandatory for employees of the County, except for those covered by another retirement system. Employees of the County are provided with pensions through a cost-sharing multiple employer defined benefit pension plan administered by Iowa Public Employees' Retirement System (IPERS). IPERS issues a stand-alone financial report which is available to the public by mail at 7401 Register Drive P.O. Box 9117, Des Moines, Iowa 50306-9117 or at www.ipers.org.

IPERS benefits are established under Iowa Code chapter 97B and the administrative rules thereunder. Chapter 97B and the administrative rules are the official plan documents. The following brief description is provided for general informational purposes only. Refer to the plan documents for more information.

Tama County
Notes to Financial Statements (Continued)
June 30, 2015

(8) Pension Plan (continued)

Pension Benefits – A regular member may retire at normal retirement age and receive monthly benefits without an early-retirement reduction. Normal retirement age is age 65, anytime after reaching age 62 with 20 or more years of covered employment, or when the member's years of service plus the member's age at the last birthday equals or exceeds 88, whichever comes first. (These qualifications must be met on the member's first month of entitlement to benefits.) Members cannot begin receiving retirement benefits before age 55. The formula used to calculate a Regular member's monthly IPERS benefit includes:

- A multiplier (based on years of service).
- The member's highest five year average salary. (For members with service before June 30, 2012, the highest three-year average salary as of that date will be used if it is greater than the highest five-year average salary).

Sheriff and deputy and protection occupation members may retire at normal retirement age which is generally at age 55. Sheriff and deputy and protection occupation members may retire anytime after reaching age 50 with 22 or more years of covered employment.

The formula used to calculate a sheriff and deputy and protection occupation members' monthly IPERS benefit includes:

- 60% of average salary after completion of 22 years of service, plus an additional 1.5% of average salary for years of service greater than 22 but not more than 30 years of service.
- The member's highest three-year average salary.

If a member retires before a normal retirement age, the member's monthly retirement benefit will be permanently reduced by an early-retirement reduction. The early-retirement reduction is calculated differently for service earned before and after July 1, 2012. For service earned before July 1, 2012, the reduction is 0.25 percent for each month that the member receives benefits before the member's earliest normal retirement age. For service earned starting July 1, 2012, the reduction is 0.50 percent for each month that the member receives benefits before age 65.

Generally, once a member selects a benefit option, a monthly benefit is calculated and remains the same for the rest of the member's lifetime. However, to combat the effects of inflation, retirees who began receiving benefits prior to July 1990 receive a guaranteed dividend with their regular November benefit payments.

Disability and Death Benefits – A vested member who is awarded federal Social Security disability or Railroad Retirement disability benefits is eligible to claim IPERS benefits regardless of age. Disability benefits are not reduced for early retirement. If a member dies before retirement, the member's beneficiary will receive a lifetime annuity or a lump-sum payment equal to the present actuarial value of the member's accrued benefit or calculated with a set formula, whichever is greater. When a member dies after retirement, death benefits depend on the benefit option the member selected at retirement.

Tama County
Notes to Financial Statements (Continued)
June 30, 2015

(8) Pension Plan (continued)

Contributions – Effective July 1, 2012, as a result of a 2010 law change, the contribution rates are established by IPERS following the annual actuarial valuation, which applies IPERS' Contribution Rate Funding Policy and Actuarial Amortization Method. Statute limits the amount rates can increase or decrease each year to 1 percentage point. IPERS Contribution Rate Funding Policy requires that the actuarial contribution rate be determined using the "entry age normal" actuarial cost method and the actuarial assumptions and methods approved by the IPERS Investment Board. The actuarial contribution rate covers normal cost plus the unfunded actuarial liability payment based on a 30-year amortization period. The payment to amortize the unfunded actuarial liability is determined as a level percentage of payroll, based on the Actuarial Amortization Method adopted by the Investment Board.

In fiscal year 2015, pursuant to the required rate, Regular members contributed 5.95 percent of pay and the County contributed 8.93 percent for a total rate of 14.88 percent. Sheriff and deputy members and the County both contributed 9.88 percent of pay for a total rate of 19.76 percent. Protection occupation members contributed 6.76 percent of pay and the County contributed 10.14 percent for a total rate of 16.90 percent.

The County's contributions to IPERS for the year ended June 30, 2015 were \$506,944.

Collective Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – At June 30, 2015, the County reported a liability of \$2,589,999 for its proportionate share of the collective net pension liability. The collective net pension liability was measured as of June 30, 2014, and the total pension liability used to calculate the collective net pension liability was determined by an actuarial valuation as of that date. The County's proportion of the collective net pension liability was based on the County's share of contributions to the pension plan relative to the contributions of all IPERS participating employers. At June 30, 2014, the County's proportion was .0653066%, which was a decrease of .008148% from its proportion measured as of June 30, 2013.

For the year ended June 30, 2015 the County recognized pension expense of \$186,570. At June 30, 2015, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Tama County
Notes to Financial Statements (Continued)
June 30, 2015

(8) Pension Plan (continued)

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 29,381	\$ 32,409
Changes of assumptions	119,311	29,620
Net difference between projected and actual earnings on pension plan investments	-	1,334,126
Changes in proportion and differences between County contributions and proportionate share of contributions	189	68,280
County contributions subsequent to the measurement date	506,944	-
Total	<u>\$ 655,825</u>	<u>\$ 1,464,435</u>

\$506,944 reported as deferred outflows of resources related to pensions resulting from the County contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30,	
2016	\$ (329,192)
2017	(329,192)
2018	(329,192)
2019	(329,192)
2020	1,214
	<u>\$ (1,315,554)</u>

There were no non-employer contributing entities at IPERS.

Tama County
Notes to Financial Statements (Continued)
June 30, 2015

(8) Pension Plan (continued)

Actuarial Assumptions – The total pension liability in the June 30, 2014 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Rate of Inflation (effective June 30, 2014)	3.00 percent per annum
Rates of Salary increases (effective June 30, 2010)	4.00 to 17.00 percent, average, including inflation. Rates vary by membership group.
Long-term investment rate of return (effective June 30, 1996)	7.50 percent per annum, compounded annually, net of investment expense, including inflation.

The actuarial assumptions used in the June 30, 2014 valuation were based on the results of actuarial experience studies with dates corresponding to those listed above.

Mortality rates were based on the RP-2000 Mortality Table for Males or Females, as appropriate, with adjustments for mortality improvements based on Scale AA.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Asset Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
US Equity	23 %	6.31
Non US Equity	15	6.76
Private Equity	13	11.34
Real Estate	8	3.52
Core Plus Fixed Income	28	2.06
Credit Opportunities	5	3.67
TIPS	5	1.92
Other Real Assets	2	6.27
Cash	1	(0.69)
Total	<u>100 %</u>	

Tama County
Notes to Financial Statements (Continued)
June 30, 2015

(8) Pension Plan (continued)

Discount Rate – The discount rate used to measure the total pension liability was 7.5 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the contractually required rate and that contributions from the County will be made at contractually required rates, actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the County's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate – The following presents the County's proportionate share of the net pension liability calculated using the discount rate of 7.5 percent, as well as what the County's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage – point lower (6.5 percent) or 1-percentage-point higher (8.5 percent) than the current rate.

	1% Decrease (6.5%)	Discount Rate (7.5%)	1% Increase (8.5%)
County's proportionate share of the net pension liability:	\$ 5,644,571	\$ 2,589,999	\$ 13,883

Pension Plan Fiduciary Net Position – Detailed information about the pension plan's fiduciary net position is available in the separately issued IPERS financial report which is available on IPERS' website at www.ipers.org.

Payables to the Pension Plan – At June 30, 2015, the County did not report any payables to the defined benefit pension plan as all employer contributions and employee contributions that had been withheld from employee wages had been remitted to IPERS before year end.

(9) Other Postemployment Benefits (OPEB)

Plan Description – The County operates a single-employer retiree benefit plan which provides medical/prescription drug and dental benefits for retirees and their spouses. There are 118 active members and 1 retired member in the plan. Retired participants must be age 55 or older at retirement.

The medical/prescription drug and dental benefits are provided through a partially self-funded medical plan administered by Bernie Lowe and Associates. Retirees under age 65 pay the same premium for the medical/prescription drug benefits as active employees, which results in an implicit rate subsidy and an OPEB liability.

Funding Policy – The contribution requirements of plan members are established and may be amended by the County. The County currently finances the retiree benefit plan on a pay-as-you-go basis.

Tama County
Notes to Financial Statements (Continued)
June 30, 2015

(9) Other Postemployment Benefits (OPEB) (continued)

Annual OPEB Cost and Net OPEB Obligation – The County’s annual OPEB cost is calculated based on the annual required contribution (ARC) of the County, an amount actuarially determined in accordance with GASB Statement No. 45. The ARC represents a level of funding which, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities over a period not to exceed 30 years.

The following table shows the components of the County’s annual OPEB cost for the year ended June 30, 2015, the amount actually contributed to the plan and changes in the County’s net OPEB obligation:

Annual required contributions	\$ 4,130
Interest on net OPEB obligation	433
Adjustment to annual required contribution	(337)
Annual OPEB cost	<u>4,226</u>
Contributions made	<u>-</u>
Increase in net OPEB obligation	4,226
Net OPEB obligation beginning of year	<u>9,617</u>
Net OPEB obligation end of year	<u><u>\$ 13,843</u></u>

For calculations of the net OPEB obligation, the actuary has set the transition day as July 1, 2009. The end of year net OPEB obligation was calculated by the actuary as the cumulative difference between the actuarially determined funding requirements and the actual contributions for the year ended June 30, 2015.

For the year ended June 30, 2015 there was no contributions made.

The County’s annual OPEB cost, the percentage of annual OPEB cost contributed to the plan and the net OPEB obligation as of June 30, 2015 are summarized as follows:

Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
June 30, 2010	\$ 3,769	51%	\$ 1,853
June 30, 2011	3,743	51%	3,680
June 30, 2012	3,719	52%	5,483
June 30, 2013	4,040	98%	5,573
June 30, 2014	4,044	0%	9,617
June 30, 2015	4,226	0%	13,843

Tama County
Notes to Financial Statements (Continued)
June 30, 2015

(9) Other Postemployment Benefits (OPEB) (continued)

Funded Status and Funding Progress. As of July 1, 2012, the most recent actuarial valuation date for the period July 1, 2014 through June 30, 2015, the actuarial accrued liability was \$49,989, with no actuarial value of assets, resulting in an unfunded actuarial accrued liability (UAAL) of \$49,989. The covered payroll (annual payroll of active employees covered by the plan) was approximately \$5,508,265 and the ratio of the UAAL to covered payroll was 1%. As of June 30, 2015, there were no trust fund assets.

Actuarial Methods and Assumptions – Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality and the health care cost trend. Actuarially determined amounts are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The Schedule of Funding Progress, presented as Required Supplementary Information in the section following the Notes to Financial Statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Projections of benefits for financial reporting purposes are based on the plan as understood by the employer and the plan members and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

As of the July 1, 2012 actuarial valuation date, the unit credit actuarial cost method was used. The actuarial assumptions include a 4.5% investment return based on the County's funding policy. The projected annual medical trend rate is 7%. The ultimate medical trend rate is 5%. The medical trend rate is reduced 1% each year until reaching the 5% ultimate trend rate.

Mortality rates are from the RP2000 Group Annuity Mortality Table, applied on a gender-specific basis. Annual retirement and termination probabilities were developed from the retirement probabilities from the IPERS Actuarial Report as of June 30, 2007 and applying the termination factors used in the IPERS Actuarial Report as of June 30, 2007.

Projected claim costs of the medical plan for retirees less than age 65 are \$1,203 per month for a family plan and \$554 per month for a single plan and projected claim costs for retirees who have attained the age of 65 are \$750 per month for a family plan and \$453 per month for a single plan. The salary increase rate was assumed to be 3% per year. The UAAL is being amortized as a level percentage of projected payroll expense on an open basis over 30 years.

Tama County
Notes to Financial Statements (Continued)
June 30, 2015

(10) Tama County Employee Group Health Fund

The Internal Service, Employee Group Health Fund was established to account for the partial self funding of the County's health insurance benefit plan. The plan is funded by both employee and County contributions and is administered through a service agreement with Bernie Lowe Associates, Inc. The agreement is subject to automatic renewal provisions. The County assumes liability for claims up to the individual stop loss limitation of \$50,000 and aggregating stop loss limitation of \$42,500. Claims in excess of coverage are insured through purchase of stop loss insurance.

Monthly payments of service fees and plan contributions to the Employee Group Health Fund are recorded as expenditures from the operating funds. Under the administrative services agreement, monthly payments of service fees and claims processed are paid to First Administrators and Bernie Lowe and Associates from the Employee Group Health Fund. The County's contribution for the year ended June 30, 2015 was \$1,916,012.

Amounts payable from the Employee Group Health Fund at June 30, 2015 total \$268,404, which is for incurred but not reported (IBNR) and reported but not paid claims. The amounts are based on actuarial estimates of the amounts necessary to pay prior-year and current-year claims and to establish a reserve for catastrophic losses. That reserve was \$1,682,664 at June 30, 2015 and is reported as a designation of the Internal Service, Employee Group Health Fund net position. A liability has been established based on the requirements of Governmental Accounting Standards Board Statement No. 10, which requires a liability for claims be reported if information prior to the issuance of the financial statements indicates it is probable a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. Settlements have not exceeded the stop-loss coverage in any of the past three years. A reconciliation of changes in the aggregate liability for claims for the current year is as follows:

Unpaid claims beginning of year	\$ 256,224
Incurred claims (including claims incurred but not reported at June 30, 2015)	1,654,478
Payments on claims during the fiscal year	<u>1,642,298</u>
Unpaid claims end of year	<u>\$ 268,404</u>

(11) Risk Management

Tama County is a member in the Heartland Risk Pool, as allowed by Chapter 331.301 of the Code of Iowa. The Heartland Risk Pool (Pool) is a local government risk-sharing pool whose members include ten counties throughout the State of Iowa. The Pool was formed July 1, 1987 to provide workers' compensation and property/casualty insurance for its members. The risk pool was created for the purpose of providing and maintaining self-insurance benefits on a group basis substantially at cost.

Tama County
Notes to Financial Statements (Continued)
June 30, 2015

(11) Risk Management

Each member County is responsible for the payment of member contributions to the risk pool on an annual basis. Member contributions to the risk pool are recorded as expenditures from the operating funds at the time of payment to the risk pool. In the event of payment of any loss by the risk pool, the risk pool is subrogated to the extent of such payment to all the rights of the member County against any person or other entity legally responsible for damages for said loss, and in such event, the member County is responsible for rendering all reasonable assistance, other than pecuniary assistance, to affect recovery. The risk pool is responsible for paying the reinsurance premiums on the insurance policies when due, to pay claims in accordance with the various coverages and to make other payments as required by applicable law, to establish and accumulate a reserve or reserves in amounts which are deemed advisable or required by law to carry out the purposes of the risk pool, and to pay all reasonable and necessary expenses for administering the risk pool and fund.

Initial risk of loss for the self-insured coverage is retained by the risk pool. The risk pool obtained a reinsurance policy for the year ended June 30, 2015, which covers exposures of specific losses in excess of \$750,000, with a \$250,000 corridor deductible, per occurrence up to the statutory limits for workers compensation, and in excess of \$400,000 per occurrence, up to a maximum of \$8,000,000 per occurrence, including the retention of the pool, for general liability, police professional, errors and omissions and automobile liability. The risk pool records a liability for unpaid claims based on estimates of reported and incurred but not reported claims and related loss adjustment expenses. At June 30, 2015, 2014 and 2013 the risk pool reported a surplus of assets over liabilities.

Member Counties retain the risk of claims, if any, exceeding maximum reinsurance coverages and the amount of surplus maintained in the risk pool by means of an assessment that would be charged to the member County in addition to the premium contributions. At June 30, 2015, settled claims have not exceeded the risk pool reinsurance coverage since commencement of the risk pool.

The County's property and casualty contributions to the risk pool are recorded as expenditures from its operating funds at the time of payment to the risk pool. The County's contributions to the Pool for the year ended June 30, 2015 were \$370,275.

Initial membership into the Pool is for a mandatory three year period. Subsequent to the initial term, a member County may withdraw at the end of any given fiscal year. The initial membership period for Tama County commenced July 1, 1987 and is subject to renewal every three years. The county assumes liability for any deductibles and claims in excess of coverage limitations. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

Tama County
Notes to Financial Statements (Continued)
June 30, 2015

(12) Contingent Liability

During the year ended June 30, 1994, an underground storage tank investigation classified three former underground storage tank sites in Tama County as high risk, requiring the County to submit plans for remedial action to the Iowa Department of Natural Resources. The County is currently contesting the high risk classification for two of the three sites. The County estimates the costs to remediate the sites under the proposed plans to be approximately \$75,000 per site. As a result, a liability for \$150,000 has been recorded in accounts payable in the Secondary Roads Fund at June 30, 2015.

The environmental impact of the sites is currently unknown and the potential liability, if any, for additional costs associated with the sites is indeterminable.

(13) Related Party Transactions

The County had business transactions between the County and County officials totaling \$3,564 during the year ended June 30, 2015.

Tama County
Notes to Financial Statements (Continued)
June 30, 2015

(14) Early Childhood Area Board

Tama County is the fiscal agent for the Early Childhood Area Board, an organization formed pursuant to the provisions of Chapter 256I of the Code of Iowa. The Area Board receives state grants to administer early childhood and school ready programs. Financial transactions of the Area Board are included in the County's financial statements as part of the Agency Funds because of the County's fiduciary relationship with the Organization. The Area Board's financial data for the year ended June 30, 2015 is as follows:

	Early Childhood	School Ready	Total
Revenues:			
State grants:			
Early Childhood	\$ 45,456	-	45,456
Family support and parent education	-	179,187	179,187
Preschool support for low-income families	-	78,676	78,676
Quality improvement	-	50,597	50,597
Allocation for administration	2,523	10,113	12,636
Other grant programs	-	18,902	18,902
Total state grants	47,979	337,475	385,454
Interest on investments	65	458	523
Total revenues	48,044	337,933	385,977
Expenditures:			
Program services:			
Early childhood	50,365	-	50,365
Family support and parent education	-	172,692	172,692
Preschool support for low-income families	-	46,830	46,830
Quality improvement	-	59,685	59,685
Other program services	-	21,808	21,808
Total program services	50,365	301,015	351,380
Administration	1,944	5,040	6,984
Total expenditures	52,309	306,055	358,364
Change in fund balance	(4,265)	31,878	27,613
Fund balance beginning of year	4,921	28,214	33,135
Fund balance end of year	\$ 656	60,092	60,748

Tama County
Notes to Financial Statements (Continued)
June 30, 2015

(15) Tama County Financial Information Included in the County Social Services Mental Health Region

County Social Services Mental Health Region, a jointly governed organization formed pursuant to the provisions of Chapter 28E of the Code of Iowa which became effective January 1, 2009, includes the following member counties: Allamakee, Black Hawk, Butler, Cerro Gordo, Clayton, Chickasaw, Emmet, Fayette, Floyd, Grundy, Hancock, Howard, Humboldt, Kossuth, Mitchell, Pocahontas, Tama, Webster, Winnebago, Worth, Winneshiek, and Wright Counties. The financial activity of Tama County's Special Revenue, Mental Health Fund is included in the County Social Services Mental Health Region for the year ended June 30, 2015 as follows:

Revenues:		
Property and other county tax		\$ 532,763
Intergovernmental revenues:		
State tax credits	\$ 40,499	
Medicaid	147,605	
Other intergovernmental revenues	151,915	340,019
Miscellaneous		24,199
Total revenues		<u>896,981</u>
Expenditures:		
Services to persons with:		
Intellectual disabilities		23,265
General administration		
Direct administration	152,298	
Distribution to regional fiscal agent	392,868	545,166
County provided case management		240,107
Total expenditures		<u>808,538</u>
Excess of revenues over expenditures		88,443
Fund balance beginning of year		<u>192,693</u>
Fund balance end of year		<u>\$ 281,136</u>

(16) Accounting Change/Restatement

Governmental Accounting Standards Board Statement No. 68, Accounting and Financial Reporting for Pensions – an Amendment of GASB No. 27 was implemented during fiscal year 2015. The revised requirements establish new financial reporting requirements for state and local governments which provide their employees with pension benefits including additional note disclosures and required supplementary information. In addition, GASB No. 68 requires a state or local government employer to recognize a net pension liability and changes in the net pension liability, deferred outflows of resources and deferred inflows of resources which arise from other types of events related to pensions.

Tama County
Notes to Financial Statements (Continued)
June 30, 2015

(16) Accounting Change/Restatement (continued)

During the transition year, as permitted, beginning balances for deferred outflows of resources and deferred inflows of resources will not be reported, except for deferred outflows of resources related to contributions made after the measurement date of the beginning net pension liability which is required to be reported by Governmental Accounting Standards Board Statement No. 71, Pension Transition for Contributions Made Subsequent to the Measurement Date. Beginning net position for governmental activities was restated to retroactively report the beginning net pension liability and deferred outflows of resources related to contributions made after the measurement date, as follows:

	<u>Governmental Activities</u>
Net position June 30, 2014, as previously reported	\$ 38,590,687
Net pension liability at June 30, 2014	(4,217,547)
Deferred outflows of resources related to prior year contributions made after the June 30, 2013 measurement date	<u>498,564</u>
Net position July 1, 2014, as restated	<u><u>\$ 34,871,704</u></u>

(17) Date of Management Evaluation

Management has evaluated subsequent events through December 30, 2015, the date on which the financial statements were available to be issued.

Required Supplementary Information

Tama County
 Budgetary Comparison Schedule of
 Receipts, Disbursements and Changes in Balances -
 Budget and Actual (Cash Basis) - All Governmental Funds
 Required Supplementary Information
 Year Ended June 30, 2015

	Actual	Less Funds not Required to be Budgeted
Receipts:		
Property and other county tax	\$ 8,548,896	-
Interest and penalty on property tax	57,091	-
Intergovernmental	7,643,164	-
Licenses and permits	17,925	-
Charges for services	632,371	-
Use of money and property	99,801	-
Miscellaneous	191,014	-
Total receipts	<u>17,190,262</u>	<u>-</u>
Disbursements:		
Public safety and legal services	3,172,659	-
Physical health and social services	1,535,900	-
Mental health	879,174	-
County environment and education	699,141	-
Roads and transportation	6,391,779	-
Governmental services to residents	487,714	-
Administration	1,292,646	-
Non-program	67	-
Debt service	155,485	-
Capital projects	3,431,208	-
Total disbursements	<u>18,045,773</u>	<u>-</u>
Deficiency of receipts under disbursements	(855,511)	-
Other financing sources, net	<u>7,951</u>	<u>-</u>
Deficiency of receipts and other financing sources under disbursements and other financing uses	(847,560)	-
Balance beginning of year	<u>10,005,630</u>	859
Balance end of year	<u><u>\$ 9,158,070</u></u>	<u>859</u>

Net	Budgeted Amounts		Final to Net Variance
	Original	Final	
8,548,896	8,718,260	8,720,513	(171,617)
57,091	25,041	25,041	32,050
7,643,164	5,456,242	5,517,766	2,125,398
17,925	11,750	99,579	(81,654)
632,371	698,636	698,636	(66,265)
99,801	129,852	129,852	(30,051)
191,014	2,391,587	2,391,587	(2,200,573)
17,190,262	17,431,368	17,582,974	(392,712)
3,172,659	3,430,818	3,478,134	305,475
1,535,900	1,599,820	1,756,338	220,438
879,174	427,630	996,429	117,255
699,141	868,112	871,728	172,587
6,391,779	7,158,780	7,458,780	1,067,001
487,714	511,231	511,231	23,517
1,292,646	1,408,612	1,412,249	119,603
67	26,750	938,500	938,433
155,485	153,735	153,735	(1,750)
3,431,208	4,458,052	4,458,052	1,026,844
18,045,773	20,043,540	22,035,176	3,989,403
(855,511)	(2,612,172)	(4,452,202)	3,596,691
7,951	2,350	2,350	5,601
(847,560)	(2,609,822)	(4,449,852)	3,602,292
10,004,771	9,223,417	9,223,417	781,354
9,157,211	6,613,595	4,773,565	4,383,646

Tama County
 Budgetary Comparison Schedule -
 Budget to GAAP Reconciliation
 Required Supplementary Information
 Year Ended June 30, 2015

	Governmental Funds		
	Cash Basis	Accrual Adjustments	Modified Accrual Basis
Revenues	\$ 17,190,262	199,707	17,389,969
Expenditures	18,045,773	(30,802)	18,014,971
Net	(855,511)	230,509	(625,002)
Other financing sources, net	7,951	(864)	7,087
Beginning fund balances	10,005,630	(294,120)	10,508,110
Ending fund balances	\$ 9,158,070	(64,475)	9,890,195

Tama County
Notes to Required Supplementary Information-
Budgetary Reporting
June 30, 2015

The budgetary comparison is presented as Required Supplementary Information in accordance with Governmental Accounting Standards Board Statement No. 41 for governments with significant budgetary perspective differences resulting from not being able to present budgetary comparisons for the General Fund and each major Special Revenue Fund.

In accordance with the Code of Iowa, the County Board of Supervisors annually adopts a budget on the cash basis following required public notice and hearing for all funds except blended component units, the Internal Service Fund and Agency Funds, and appropriates the amount deemed necessary for each of the different County offices and departments. The budget may be amended during the year utilizing similar statutorily prescribed procedures. Encumbrances are not recognized on the cash basis budget and appropriations lapse at year end.

Formal and legal budgetary control is based upon ten major classes of expenditures known as functions, not by fund. These ten functions are: public safety and legal services, physical health and social services, mental health, county environment and education, roads and transportation, governmental services to residents, administration, non-program, debt service and capital projects. Function disbursements required to be budgeted include disbursements for the General Fund, the Special Revenue Funds, the Debt Service Fund and the Capital Projects Fund. Although the budget document presents function disbursements by fund, the legal level of control is at the aggregated function level, not by fund. Legal budgetary control is also based upon the appropriation to each office or department. During the year, two budget amendments increased budgeted disbursements by \$1,991,636. The budget amendments are reflected in the final budgeted amounts.

In addition, annual budgets are similarly adopted in accordance with the Code of Iowa by the appropriate governing body as indicated: for the County Extension Office by the County Agricultural Extension Council, for the County Assessor by the County Conference Board, for the E911 System by the Joint E911 Service Board and for Emergency Management Services by the County Emergency Management Commission.

During the year ended June 30, 2015, disbursements exceeded the amount budgeted in the debt service function.

Tama County
Schedule of the County's Proportionate Share of the Net Pension Liability
Iowa Public Employees' Retirement System
Last Fiscal Year*
Required Supplementary Information

	<u>2015</u>
County's proportion of the net pension liability (asset)	0.0653066 %
County's proportionate share of the net pension liability (asset)	\$ 2,589,999
County's covered-employee payroll	\$ 5,464,658
County's proportionate share of the net pension liability as a percentage of its covered-employee payroll	47.40 %
Plan fiduciary net position as a percentage of the total pension liability	87.61 %

* The amounts presented for each fiscal year were determined as of June 30.

Note: GASB Statement No. 68 requires ten years of information to be presented in this table. However, until a full 10-year trend is compiled, the County will present information for those years for which information is available.

Tama County
Schedule of County Contributions
Iowa Public Employees' Retirement System
Last 10 Fiscal Years
Required Supplementary Information

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Statutorily required contribution	\$ 506,994	498,564	482,179	445,481
Contributions in relation to the statutorily required contribution	<u>(506,994)</u>	<u>(498,564)</u>	<u>(482,179)</u>	<u>(445,481)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>
County's covered-employee payroll	\$ 5,545,341	5,464,658	5,406,121	5,295,941
Contributions as a percentage of covered-employee payroll	9.14%	9.12%	8.92%	8.41%

<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
381,202	353,052	322,821	309,377	276,968	275,300
<u>(381,202)</u>	<u>(353,052)</u>	<u>(322,821)</u>	<u>(309,377)</u>	<u>(276,968)</u>	<u>(275,300)</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
5,156,509	5,089,036	4,874,220	4,938,036	4,553,445	4,527,762
7.39%	6.94%	6.62%	6.27%	6.08%	6.08%

Tama County

Notes to Required Supplementary Information – Pension Liability

Year ended June 30, 2015

Changes of benefit terms:

Legislation passed in 2010 modified benefit terms for current Regular members. The definition of final average salary changed from the highest three to the highest five years of covered wages. The vesting requirement changed from four years of service to seven years. The early retirement reduction increased from 3 percent per year measured from the member's first unreduced retirement age to a 6 percent reduction for each year of retirement before age 65.

In 2008, legislative action transferred four groups – emergency medical service providers, county jailers, county attorney investigators, and National Guard installation security officers – from Regular membership to the protection occupation group for future service only.

Benefit provisions for sheriffs and deputies were changed in the 2004 legislative session. The eligibility for unreduced retirement benefits was lowered from age 55 by one year each July 1 (beginning in 2004) until it reached age 50 on July 1, 2008. The years of service requirement remained at 22 or more. Their contribution rates were also changed to be shared 50-50 by the employee and employer, instead of the previous 40-60 split.

Changes of assumptions:

The 2014 valuation implemented the following refinements as a result of a quadrennial experience study:

- Decreased the inflation assumption from 3.25 percent to 3.00 percent.
- Decreased the assumed rate of interest on member accounts from 4.00 percent to 3.75 percent per year.
- Adjusted male mortality rates for retirees in the Regular membership group.
- Reduced retirement rates for sheriffs and deputies between the ages of 55 and 64.
- Moved from an open 30 year amortization period to a closed 30 year amortization period for the UAL beginning June 30, 2014. Each year thereafter, changes in the UAL from plan experience will be amortized on a separate closed 20 year period.

The 2010 valuation implemented the following refinements as a result of a quadrennial experience study:

- Adjusted retiree mortality assumptions.
- Modified retirement rates to reflect fewer retirements.
- Lowered disability rates at most ages.
- Lowered employment termination rates.
- Generally increased the probability of terminating members receiving a deferred retirement benefit.
- Modified salary increase assumptions based on various service duration.
-

The 2007 valuation adjusted the application of the entry age normal cost method to better match projected contributions to the projected salary stream in the future years. It also included in the calculation of the UAL amortization payments for one-year lag between the valuation date and the effective date of the annual actuarial contribution rate.

The 2006 valuation implemented the following refinements as a result of a quadrennial experience study:

- Adjusted salary increase assumptions to service based assumptions.
- Decreased the assumed interest rate credited on employee contributions from 4.25 percent to 4.00 percent.
- Lowered the inflation assumption from 3.50 percent to 3.25 percent.
- Lowered disability rates for sheriffs and deputies and protection occupation members.

Tama County
Schedule of Funding Progress for the
Retiree Health Plan
Required Supplementary Information

Year Ended June 30,	Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
2010	July 1, 2009	-	\$ 40,111	40,111	0.0%	\$ 4,578,884	.9%
2011	July 1, 2009	-	40,111	40,111	0.0%	4,479,535	.9%
2012	July 1, 2009	-	40,111	40,111	0.0%	4,506,797	.9%
2013	July 1, 2012	-	49,989	49,989	0.0%	5,063,672	1%
2014	July 1, 2012	-	49,989	49,989	0.0%	5,450,452	1%
2015	July 1, 2012	-	49,989	49,989	0.0%	5,508,265	1%

See Note 9 in the accompanying Notes to Financial Statements for the plan description, funding policy, annual OPEB Cost, net OPEB Obligation, funded status and funding progress.

Supplementary Information

Tama County
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2015

			Special Revenue	
	Resource	County	County	County
	Enhancement	Recorder's	Sheriff's	Attorney's
	and	Records	Forfeiture	Forfeiture
	Protection	Management	Fund	Fund
Assets				
Cash, cash equivalents and pooled investments	\$ 53,411	31,677	1,282	325
Due from other governments	-	-	-	-
Total assets	\$ 53,411	31,677	1,282	325
Liabilities and Fund Balances				
Liabilities:				
Accounts payable	-	-	-	-
Fund balances:				
Restricted for:				
Other purposes	\$ 53,411	31,677	1,282	325
Total liabilities and fund balances	\$ 53,411	31,677	1,282	325

Tobacco Compliance	Drainage District	Total
2,070	859	89,624
150	-	150
2,220	859	89,774

48	-	48
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2,172	859	89,726
2,220	859	89,774

Tama County
Combining Schedule of Revenues, Expenditures and
Changes in Fund Balances
Nonmajor Governmental Funds
Year Ended June 30, 2015

			Special Revenue	
	Resource	County	County	County
	Enhancement	Recorder's	Sheriff's	Attorney's
	and	Records	Forfeiture	Forfeiture
	Protection	Management	Fund	Fund
Revenues:				
Intergovernmental	\$ 15,179	-	-	-
Charges for service	-	3,080	-	-
Use of money and property	264	17	-	-
Total revenues	15,443	3,097	-	-
Expenditures:				
Operating:				
Public safety and legal services	-	-	-	-
Governmental services to residents	-	7,315	-	-
Total expenditures	-	7,315	-	-
Excess (deficiency) of revenues over (under) expenditures	15,443	(4,218)	-	-
Other financing sources:				
Transfers in	-	9,000	-	-
Change in fund balances	15,443	4,782	-	-
Fund balances beginning of year	37,968	26,895	1,282	325
Fund balances end of year	\$ 53,411	31,677	1,282	325

Tobacco Compliance	Drainage District	Total
1,200	-	16,379
-	-	3,080
-	-	281
1,200	-	19,740

48	-	48
-	-	7,315
48	-	7,363

1,152	-	12,377
-	-	9,000
1,152	-	21,377
1,020	859	68,349
2,172	859	89,726

Tama County
Combining Schedule of Fiduciary Assets and Liabilities
Agency Funds
June 30, 2015

	County Offices		Agricultural	
	County Recorder	County Sheriff	Extension Education	County Assessor
Assets				
Cash, cash equivalents and pooled investments:				
County Treasurer	\$ -	-	2,913	245,865
Other County officials	6,935	4,521	-	-
Receivables:				
Property tax:				
Delinquent	-	-	318	468
Succeeding year	-	-	192,785	397,241
Accounts	1,539	-	-	-
Due from other governments	-	-	-	-
Total assets	\$ 8,474	4,521	196,016	643,574
Liabilities				
Accounts payable	\$ -	-	-	823
Salaries and benefits payable	-	-	-	8,492
Due to other governments	8,474	78	196,016	616,339
Trusts payable	-	4,443	-	-
Compensated absences	-	-	-	17,920
Total liabilities	\$ 8,474	4,521	196,016	643,574

Schools	Community Colleges	Corporations	Townships	Special Assessments	Auto License and Use Tax	Empower- ment	Emergency Management Services	E-911
181,109	19,751	58,556	4,859	2,703	380,063	69,309	340,582	165,093
-	-	-	-	-	-	-	-	-
21,489	2,347	19,790	127	-	-	-	-	-
11,729,447	1,306,550	4,032,615	325,473	-	-	-	-	-
-	-	-	-	-	-	-	-	14,510
-	-	-	-	-	-	-	53,341	32,752
11,932,045	1,328,648	4,110,961	330,459	2,703	380,063	69,309	393,923	212,355
-	-	-	-	-	-	25,890	21,664	2,129
-	-	-	-	-	-	-	22,720	-
11,932,045	1,328,648	4,110,961	330,459	2,703	380,063	43,419	318,405	210,226
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	31,134	-
11,932,045	1,328,648	4,110,961	330,459	2,703	380,063	69,309	393,923	212,355

Tama County
Combining Schedule of Fiduciary Assets and Liabilities (Continued)
Agency Funds
June 30, 2015

Schedule 3

Assets	Economic Development	Sanitary Landfill	Third Party Payees	Other	Total
Cash, cash equivalents and pooled investments:					
County Treasurer	\$ 5,249	161,833	242,325	93,032	1,973,242
Other County officials	-	-	-	-	11,456
Receivables:					
Property tax:					
Delinquent	-	-	-	5	44,544
Succeeding year	-	-	-	14,127	17,998,238
Accounts	-	55,406	-	-	71,455
Due from other governments	-	-	-	-	86,093
Total assets	\$ 5,249	217,239	242,325	107,164	20,185,028
Liabilities					
Accounts payable	\$ 273	25,058	-	-	75,837
Salaries and benefits payable	4,494	7,294	-	-	43,000
Due to other governments	(2,285)	180,101	-	107,164	19,762,816
Trusts payable	-	-	242,325	-	246,768
Compensated absences	2,767	4,786	-	-	56,607
Total liabilities	\$ 5,249	217,239	242,325	107,164	20,185,028

Tama County
Combining Schedule of Changes in Fiduciary Assets and Liabilities
Agency Funds
Year Ended June 30, 2015

	County Offices			Agricultural
	County Auditor	County Recorder	County Sheriff	Extension Education
Assets and Liabilities				
Balances beginning of year	\$ -	9,917	3,870	195,652
Additions:				
Property and other county tax	-	-	-	180,556
E-911 surcharge	-	-	-	-
State tax credits	-	-	-	13,726
Interest	-	-	-	-
Office fees and collections	2,098	267,741	293,690	-
Auto licenses, drivers license, use tax and postage	-	-	-	-
Assessments	-	-	-	-
Trusts	-	-	221,490	-
Reimbursements from other governments	-	-	-	-
Miscellaneous	-	-	-	-
Total additions	2,098	267,741	515,180	194,282
Deductions:				
Agency remittances:				
To other funds	2,098	102,045	300,934	-
To other governments	-	167,139	4,155	193,918
Trusts paid out	-	-	209,440	-
Total deductions	2,098	269,184	514,529	193,918
Balances end of year	\$ -	8,474	4,521	196,016

County Assessor	Schools	Community Colleges	Corporations	Townships	Special Assessments	Auto License and Use Tax	Empower- ment
515,435	11,889,315	1,319,658	4,304,633	316,548	339	443,144	59,829
379,233	10,960,148	1,191,729	3,628,414	308,488	-	-	-
-	-	-	-	-	-	-	-
20,152	847,579	91,750	416,841	17,841	-	-	-
-	-	-	-	-	-	-	524
-	-	-	-	-	-	-	-
-	-	-	-	-	-	5,294,628	-
-	-	-	-	-	28,601	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	385,454
502	-	-	-	-	-	-	-
399,887	11,807,727	1,283,479	4,045,255	326,329	28,601	5,294,628	385,978
-	-	-	-	-	-	217,131	-
271,748	11,764,997	1,274,489	4,238,927	312,418	26,237	5,140,578	376,498
-	-	-	-	-	-	-	-
271,748	11,764,997	1,274,489	4,238,927	312,418	26,237	5,357,709	376,498
643,574	11,932,045	1,328,648	4,110,961	330,459	2,703	380,063	69,309

Tama County
Combining Schedule of Changes in Fiduciary Assets and Liabilities
Agency Funds (Continued)
Year Ended June 30, 2015

	Emergency Management Services	E-911	Economic Development	Sanitary Landfill
Assets and Liabilities				
Balances beginning of year	\$ 417,356	407,666	25,859	122,944
Additions:				
Property and other county tax	-	-	-	-
E-911 surcharge	-	193,749	-	-
State tax credits	-	-	-	-
Interest	-	438	-	-
Office fees and collections	-	-	-	-
Auto licenses, drivers license, use tax and postage	-	-	-	-
Assessments	-	-	-	-
Trusts	-	-	-	-
Reimbursements from other governments	627,969	100,000	122,183	-
Miscellaneous	73	30	19,131	706,010
Total additions	628,042	294,217	141,314	706,010
Deductions:				
Agency Remittances:				
To other funds	-	-	-	-
To other governments	651,475	489,528	161,924	611,715
Trusts paid out	-	-	-	-
Total deductions	651,475	489,528	161,924	611,715
Balances end of year	\$ 393,923	212,355	5,249	217,239

Third Party Payees	Other	Total
118,668	78,539	20,229,372
-	41,872	16,690,440
-	-	193,749
-	765	1,408,654
-	-	962
-	3,082	566,611
-	-	5,294,628
-	-	28,601
1,291,584	308,089	1,821,163
-	-	1,235,606
-	2,254	728,000
1,291,584	356,062	27,968,414
-	-	622,208
-	47,677	25,733,423
1,167,927	279,760	1,657,127
1,167,927	327,437	28,012,758
242,325	107,164	20,185,028

Tama County
Schedule of Revenues By Source and Expenditures By Function -
All Governmental Funds
For the Last Ten Years

	2015	2014	2013
Revenues:			
Property and other county tax	\$ 7,967,876	7,828,537	7,470,818
Local option sales tax	606,153	569,345	664,429
Interest and penalty on property tax	57,174	79,320	60,454
Intergovernmental	7,775,009	6,498,355	5,853,067
Licenses and permits	18,600	17,265	22,293
Charges for service	682,562	636,339	617,317
Use of money and property	99,799	190,935	215,392
Miscellaneous	182,796	215,619	137,699
Total	<u>\$ 17,389,969</u>	<u>16,035,715</u>	<u>15,041,469</u>
Expenditures:			
Operating:			
Public safety and legal services	\$ 3,150,681	3,263,277	3,245,882
Physical health and social services	1,523,657	1,435,140	1,383,602
Mental health	808,538	1,176,542	1,491,944
County environment and education	701,612	787,174	716,407
Roads and transportation	6,449,443	6,045,270	7,650,662
Governmental services to residents	490,553	498,158	485,973
Administration	1,303,727	1,285,664	1,186,470
Non-program	67	943	2,002
Debt service	155,485	200,751	119,549
Capital projects	3,431,208	6,307,406	666,947
Total	<u>\$ 18,014,971</u>	<u>21,000,325</u>	<u>16,949,438</u>

Modified Accrual Basis						
2012	2011	2010	2009	2008	2007	2006
7,323,476	7,069,902	7,033,685	6,959,487	6,592,282	6,243,083	6,173,881
523,422	518,225	546,292	548,739	547,461	536,617	465,352
60,797	59,812	64,768	57,758	73,650	66,062	63,803
6,584,301	8,821,665	6,939,984	6,418,435	6,877,451	6,754,711	6,442,517
18,376	12,272	17,026	14,469	14,946	13,515	14,408
640,020	635,113	534,167	521,606	505,387	498,324	522,452
212,935	146,484	175,458	169,285	251,133	300,347	213,015
377,097	89,475	122,811	127,711	81,984	48,739	58,830
15,740,424	17,352,948	15,434,191	14,817,490	14,944,294	14,461,398	13,954,258
3,010,353	2,913,234	2,900,899	2,709,086	2,672,476	2,531,566	2,480,455
1,346,402	1,444,262	1,403,084	1,379,806	1,335,015	1,202,218	1,121,910
1,571,825	1,852,265	1,778,066	1,860,702	1,783,875	1,694,136	2,387,504
716,950	794,334	617,963	580,591	616,085	825,251	579,237
7,479,524	6,070,593	5,734,075	5,118,437	5,414,893	5,889,960	5,197,434
478,762	431,876	478,621	478,877	459,901	429,841	533,397
1,027,543	985,324	1,033,398	1,132,708	1,199,758	1,171,989	1,107,117
1,307	112	134	2,200	3,427	181	827
-	-	-	-	-	-	-
287,390	272,379	604,053	340,127	783,271	641,249	321,022
15,920,056	14,764,379	14,550,293	13,602,534	14,268,701	14,386,391	13,728,903

Tama County
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2015

Schedule 6

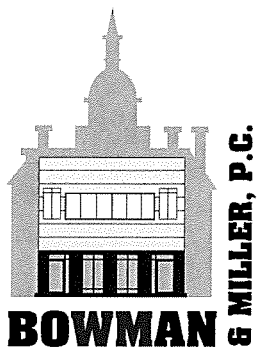
Grantor/Program	CFDA Number	Agency or Pass- through Number	Program Expenditures
Direct:			
U.S. Department of Justice:			
Organized Crime Drug Enforcement Task Force	16.110	WC-IAN-0117	\$ 3,813
Indirect:			
U.S. Department of Agriculture:			
Iowa Department of Human Services:			
Human Services Administrative Reimbursements:			
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561		11,608
Iowa Department of Public Health:			
Mid-Iowa Community Action:			
Special Supplemental Nutrition Program for Women, Infants, and Children	10.557		4,156
U.S. Department of Justice:			
Iowa Department of Commerce:			
Iowa Alcoholic Beverage Commission:			
Enforcing Underage Drinking Laws Program	16.727		1,050
Iowa Department of Justice:			
Governor's Office of Drug Control Policy:			
Mid-Iowa Drug Task Force:			
Recovery Act-Edward Byrne Memorial Justice Assistance Grant Program/Grants to States and Territories	16.803	12JAG-78965	31,192
U.S. Department of Transportation:			
Iowa Department of Public Safety:			
Governor's Traffic Safety Bureau:			
Safety Belt Performance Grants	20.609	PAP 14-402-M00P	979
Safety Belt Performance Grants	20.609	PAP 15-402-M00P	4,154
			5,133
Iowa Department of Transportation:			
Highway Planning and Construction	20.205	BROS-CO86(89)	247,216
Highway Planning and Construction	20.205	BROS-CO86(60)	758,931
Highway Planning and Construction	20.205	BROS-CO86(85)	26,542
Highway Planning and Construction	20.205	BROS-CO86(91)	49,076
Highway Planning and Construction	20.205	BROS-CO86(86)	47,590
Highway Planning and Construction	20.205	BROS-CO86(90)	219,467
Highway Planning and Construction	20.205	BRS-2267(601)	42,895
Highway Planning and Construction	20.205	BRS-2267(602)	54,885
			1,446,602

Tama County
Schedule of Expenditures of Federal Awards (Continued)
Year Ended June 30, 2015

Schedule 6

Grantor/Program	CFDA Number	Agency or Pass- through Number	Program Expenditures
U.S. Department of Health and Human Services:			
Iowa Department of Public Health:			
Grinnell Regional Medical Center:			
Public Health Emergency Preparedness	93.069	5884BT43	17,259
Immunization Cooperative Agreements	93.268	5883I472	4,792
Hospital Preparedness Program (HPP) and Public Health Emergency Preparedness (PHEP) Aligned Cooperative Agreements	93.074	5884BT111	7,250
Mid-Iowa Community Action:			
Head Start	93.600		974
Maternal and Child Health Services Block Grant to the States	93.994		11,347
Iowa Department of Human Services:			
Human Services Administrative Reimbursements:			
Refugee and Entrant Assistance-State Administered Programs	93.566		25
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596		3,002
Foster Care-Title IV-E	93.658		4,448
Adoption Assistance	93.659		1,404
Medical Assistance Program	93.778		21,874
Children's Health Insurance Program	93.767		71
Social Services Block Grant	93.667		3,570
U.S. Department of Homeland Security:			
Iowa Department of Public Defense:			
Iowa Homeland Security and Emergency Management Division:			
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	DR-4126-IA	197,731
Emergency Management Performance Grants	97.042		27,366
Total indirect			1,800,854
Total			\$ 1,804,667

Basis of Presentation - The Schedule of Expenditures of Federal Awards includes the federal grant activity of Tama County and is presented on the modified accrual basis of accounting. The information on this schedule is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.



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Independent Auditors' Report on Internal Control over
Financial Reporting and on Compliance and Other Matters
Based on an Audit of Financial Statements Performed in Accordance with
Government Auditing Standards

To the Officials of Tama County:

We have audited in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of Tama County, Iowa, as of and for the year ended June 30, 2015, and the related Notes to Financial Statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated December 30, 2015.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Tama County's internal control over financial reporting to determine the audit procedures appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Tama County's internal control. Accordingly, we do not express an opinion on the effectiveness of Tama County's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying Schedule of Findings and Questioned Costs, we identified a deficiency in internal control over financial reporting that we consider to be a material weakness.

A deficiency in internal control exists when the design or operation of the control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility a material misstatement of the County's financial statements will not be prevented or detected and corrected on a timely basis. We consider the deficiency in internal control described in Part II of the accompanying Schedule of Findings and Questioned Costs as item II-A-15 to be a material weakness.

A significant deficiency is a deficiency, or combination of deficiencies, in internal control which is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We noted no items that we considered to be significant deficiencies.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Tama County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, non-compliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of non-compliance or other matters that are required to be reported under Government Auditing Standards. However, we noted certain immaterial instances of non-compliance or other matters which are described in Part III of the accompanying Schedule of Findings and Questioned Costs.

Comments involving statutory and other legal matters about the County's operations for the year ended June 30, 2015 are based exclusively on knowledge obtained from procedures performed during our audit of the financial statements of the County. Since our audit was based on tests and samples, not all transactions that might have had an impact on the comments were necessarily audited. The comments involving statutory and other legal matters are not intended to constitute legal interpretations of those statutes.

Tama County's Responses to Findings

Tama County's responses to the findings identified in our audit are described in the accompanying Schedule of Findings and Questioned Costs. Tama County's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

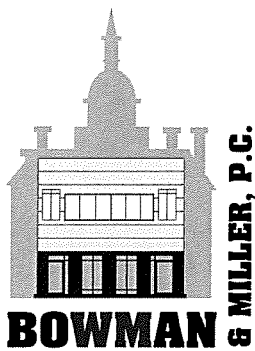
Purpose of the Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing and not to provide an opinion on the effectiveness of the County's internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the County's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

We would like to acknowledge the many courtesies and assistance extended to us by personnel of Tama County during the course of our audit. Should you have any questions concerning any of the above matters, we shall be pleased to discuss them with you at your convenience.

Bowman and Miller. P.C.

December 30, 2015



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Nathan P. Minkel, CPA • nathan@bowmanandmillerpc.com

Independent Auditors' Report on Compliance for Each Major
Federal Program and on Internal Control over Compliance
Required by OMB Circular A-133

To the Officials of Tama County:

Report on Compliance for Each Major Federal Program

We have audited Tama County, Iowa's compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that could have a direct and material effect on its major federal program for the year ended June 30, 2015. Tama County's major federal program is identified in Part I of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts and grant agreements applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for Tama County's major federal program based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with U.S. generally accepted auditing standards, the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, and OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Tama County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe our audit provides a reasonable basis for our opinion on compliance for the major federal program. However, our audit does not provide a legal determination of Tama County's compliance.

Opinion on Each Major Federal Program

In our opinion, Tama County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2015.

Report on Internal Control Over Compliance

The management of Tama County is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Tama County's internal control over compliance with the types of requirements that could have a direct and material effect on the major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Tama County's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Bowman and Miller, P.C.

December 30, 2015

Tama County
Schedule of Findings and Questioned Costs
Year Ended June 30, 2015

Part I: Summary of the Independent Auditors' Results:

- (a) Unmodified opinions were issued on the financial statements.
- (b) A material weakness in internal control over financial reporting was disclosed by the audit of the financial statements.
- (c) The audit did not disclose any noncompliance which is material to the financial statements.
- (d) An unmodified opinion was issued on compliance with requirements applicable to the major program.
- (e) The major program was:
CFDA Number 20.205 – Highway Planning and Construction
- (f) The dollar threshold used to distinguish between Type A and Type B programs was \$300,000.
- (g) Tama County did not qualify as a low-risk auditee.

Tama County
Schedule of Findings and Questioned Costs (Continued)
Year Ended June 30, 2015

Part II: Findings Related to the Financial Statements:

INSTANCES OF NON COMPLIANCE:

No matters were reported.

INTERNAL CONTROL DEFICIENCY:

II-A-15 Segregation of Duties – During our review of internal control, the existing control procedures are evaluated in order to determine that incompatible duties, from a control standpoint, are not performed by the same employee. This segregation of duties helps to prevent losses from employee error or dishonesty and, therefore, maximizes the accuracy of the County's financial statements. We noted that generally one or two individuals in the offices identified may have control over the following areas for which no compensating controls exist:

- | | <u>Applicable
Offices</u> |
|---|------------------------------------|
| (1) All incoming mail should be opened by an employee who is not authorized to make entries to the accounting records. This employee should prepare a listing of cash and checks received. The mail should then be forwarded to the accounting personnel for processing. Later, the same listing should be compared to the cash receipt records. | Treasurer,
Recorder |
| (2) Bank accounts should be reconciled promptly at the end of each month by an individual who does not sign checks, handle or record cash. | Recorder,
Sheriff |
| (3) Checks should be signed by an individual who does not otherwise participate in the preparation of the checks. Prior to signing, the checks and the supporting documentation should be reviewed for propriety. After signing, the checks should be mailed without allowing them to return to individuals who prepare the checks or approve vouchers for payment. | Treasurer,
Recorder,
Sheriff |

Recommendation - We realize segregation of duties is difficult with a limited number of office employees. However, each official should review the operating procedures of their office to obtain the maximum internal control possible under the circumstances. The official should utilize current personnel to provide additional control through review of financial transactions, reconciliations and reports. Such reviews should be performed by independent persons to the extent possible and should be evidenced by initials or signature of the reviewer and the date of the review.

Tama County
Schedule of Findings and Questioned Costs (Continued)
Year Ended June 30, 2015

Part II: Findings Related to the Financial Statements:

INTERNAL CONTROL DEFICIENCY (continued):

Response – Each office will be reminded to segregate duties to practically accomplish internal controls.

Conclusion – Response accepted.

Part III: Other Findings Related to Required Statutory Reporting:

III-A-15 Certified Budget – Disbursements during the year ended June 30, 2015 exceeded the amount budgeted in the debt service function.

Recommendation – The budget should have been amended in accordance with Chapter 331.435 of the Code of Iowa before disbursements were allowed to exceed the budget.

Response – There was an overage in the budget due to unknown fees that were due to Bankers Trust for the bond issue of the County. As Auditor, I was unaware of those fees and did not budget for them. This has been remedied by including those fees in future county budgeting.

Conclusion – Response accepted.

III-B-15 Questionable Expenditures – We noted no expenditures that we believe may not meet the requirements of public purpose as defined in an Attorney General's opinion dated April 25, 1979.

III-C-15 Travel Expense – No expenditures of County money for travel expenses of spouses of County officials or employees were noted.

III-D-15 Business Transactions – Business transactions between the County and County officials or employees are detailed as follows:

Name, Title, and Business Connection	Transaction Description	Amount
Kendall Jordan, Board of Supervisor Part Owner of S&S Car Wash	Truck and car washes	\$ 1,998
Deb Kupka, County Recorder Owner	Baked goods for elections	126
Lori Johnson, County Health employee, husband Charles Johnson is an independent contractor	Construction services	1,440

Tama County
Schedule of Findings and Questioned Costs (Continued)
Year Ended June 30, 2015

Part III: Other Findings Related to Required Statutory Reporting (continued):

In accordance with Chapter 362.5(2)(j) of the Code of Iowa, the transactions with the Kendall Jordan may represent a conflict of interest since the total transactions exceeded \$1,500 during the fiscal year.

In accordance with Chapter 362.5(3)(j) of the Code of Iowa, the transactions with the Deb Kupka and Charles Johnson do not appear to represent a conflict of interest since total transactions were less than \$1,500 during the fiscal year.

Recommendation – The County should consult legal counsel to determine the disposition of this matter.

Response – This is the only car wash in the Tama/Toledo area and the County tries to make sure they keep as much business as possible in the County to avoid the extra expense of driving out of the County for these services. This expenditure will be watched closer in the future.

Conclusion – Response accepted.

III-E-15 Bond Coverage – Surety bond coverage of County officials and employees is in accordance with statutory provisions. The amount of all bonds should be periodically reviewed to ensure the coverage is adequate for current operations.

III-F-15 Board Minutes – No transactions were found that we believe should have been approved in the Board minutes but were not. However, the Board of Supervisors went into closed sessions on September 15, 2014 and on March 15, 2015 to discuss matters relating to the County. The record does not document the vote of each member on the question of holding the closed session as required by Chapter 21.5(2) of the Code of Iowa.

Recommendation – The Board of Supervisors should ensure that all closed meetings comply with Chapter 21 of the Code of Iowa.

Response – I am now aware of this requirement and will make sure in the future to record the roll call vote in the minutes.

Conclusion – Response accepted.

III-G-15 Deposits and Investments – No instances of non-compliance with the deposit and investment provisions of Chapter 12B and 12C of the Code of Iowa and the County's investment policy were noted.

III-H-15 Resource Enhancement and Protection Certification – The County properly dedicated property tax revenue to conservation purposes as required by Chapter 455A.19(1)(b) of the Code of Iowa in order to receive the additional REAP funds allocated in accordance with subsections (b)(2) and (b)(3).

Tama County
Schedule of Findings and Questioned Costs (Continued)
Year Ended June 30, 2015

Part III: Other Findings Related to Required Statutory Reporting (continued):

III-I-15 Financial Condition – Although the Debt Service Fund had a positive cash balance at June 30, 2015, the modified accrual basis unassigned fund balance deficit was \$1,000.

Recommendation – The County should investigate alternatives to eliminate this deficit balance.

Response – The County will transfer funds into the Debt Service Fund to eliminate this deficit balance at their next board meeting.

Conclusion – Response accepted.

III-J-15 E911 Budget – Disbursements during the year ended June 30, 2015 exceeded the amount budgeted.

Recommendation – The budget should have been amended by the E911 Commission in accordance with Chapter 24.9 of the Code of Iowa before disbursements were allowed to exceed the budget.

Response – I have discussed this issue with the E911 Director and explained that there needs to be a budget amendment for any and all amounts over the published and approved expenditure amount.

Conclusion – Response accepted.

III-K-15 County Extension Office – The County Extension Office is operated under the authority of Chapter 176A of the Code of Iowa and serves as an agency of the State of Iowa. This fund is administered by an Extension Council separate and distinct from County operations and, consequently is not included in Exhibits A or B.

Disbursements during the year ended June 30, 2015 for the County Extension Office did not exceed the amount budgeted.

Tama County Audit Staff

This audit was performed by:

Bowman and Miller, P.C.
Certified Public Accountants
Marshalltown, Iowa

Personnel:

Elizabeth A. Miller, CPA, Principal
Nathan Minkel, CPA, Principal
Taylor Johnson, CPA, Staff
Diana Swanson, Staff